

Stockland Sustainability Reporting Suite FY20



Cloverton, Vic

Our strategy and reporting approach

Our sustainability strategy: A better way to deliver shared value

As a real estate owner, manager and developer, we recognise that we have a unique opportunity to create shared social, environmental and economic value for our communities, customers and investors now, and in the future.

Stockland's group strategy has three strategic pillars to support our growth and maximise returns through community creation: grow asset returns, capital management and operational excellence.

Our strategic pillars are strengthened by our focus on sustainability to ensure that we have a long-term view of our business and consider all our stakeholders' needs. We are a committed leader in sustainability and believe this approach is fundamental to the way we do business.

Stockland's sustainability strategy focuses on the opportunity to deliver shared value across a range of stakeholders. Our three sustainability focus areas are integrated with our business strategy:

- **Shape thriving communities** – Our focus is on creating robust communities with strong connections and opportunities. This supports our growth as a business, delivering better social, environmental and economic outcomes for all our stakeholders.
- **Optimise and innovate** – Innovation is at the core of everything we do, as we continue to find more efficient ways to do business, investing in technologies that support our priorities, while minimising the impact we have on the environment.
- **Enrich our value chain** – By creating stable and deep-rooted relationships, we can protect our supply chain, manage risk, and ensure sustainable and transparent practices.

Stockland's Sustainability Strategy



Sustainability leadership

We measure and report on our performance against a range of global sustainability assessments, frameworks and standards so that we continuously align with best practice sustainability management and disclosure. This enables us to stay abreast of emerging issues and international best practice sustainability governance, and to review and evaluate our performance against industry and broader global benchmarks.

LEADERSHIP CREDENTIALS

DJSI

Ranked 2nd on the Dow Jones Sustainability Index, listed in the top five for 10 consecutive years

GRESB

Global Real Estate Sustainability Benchmark - Global Sector Leader for Listed, Diversified - Office/Retail, and sixth globally out of 100 Diversified - Retail/Office, listed and non-listed companies and funds.

CDP

Only Australian property company included in the Climate A-List for carbon disclosure and performance for four consecutive years.

FRAMEWORKS

Integrated Reporting Framework

We have adopted the principles of the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework to communicate our financial and non-financial achievements in our Annual Integrated Report, independently assured by Ernst and Young (EY).

Sustainable Development Goals

We contribute to ten of the United Nations Sustainable Development Goals. These are the areas where we have the greatest opportunity to influence change and positive outcomes.

TCFD

Climate-related disclosures are reported in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

GRI Standards

We report our sustainability progress in accordance with the Global Reporting Initiative (GRI) Comprehensive Sustainability Reporting Standards. See our GRI Index.

LBG

We report and verify our community investment data in line with London Benchmarking Group (LBG), as managed by Corporate Citizenship.

UN Global Compact

We are a signatory to the United Nations Global Compact (UNGC) and support the 10 principles of the Global Compact on human rights, labour, environment and anti-corruption.

Our FY20 Sustainability Reporting Suite

Our sustainability reporting focuses on the matters of greatest relevance to our business during the reporting period.

In our reporting we highlight two sets of sustainability matters:

- our **enduring themes** – these matters align with and help us to deliver on our three sustainability priorities of shape thriving communities, optimise and innovate, and enrich our value chain. Our management approach to each of these matters is well developed and embedded in our day-to-day operations.

- our **material matters** – these matters have been identified as the emerging issues that impact the landscape in which we operate and represent future risks and opportunities for our business and our stakeholders.

Our annual sustainability reporting suite comprises our Management Approach documents, Deep Dive series and Data Packs, as outlined in the table below. Sustainability reporting is also included in our Annual Report. The reporting 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**. Our full suite of sustainability reporting documents is available on our [website](#).

Document	Description	Content
FY20 Annual Report	Integrated report focused on our strategy, governance, financial, social and environmental performance and our response to material matters. Report aligned with the International Integrated Reporting Framework.	<ul style="list-style-type: none"> • Operating and Financial Review, including our sustainability performance and response to the Task Force on Climate-related Risk Disclosures (TCFD) recommendations • Governance and Remuneration Reports • Financial Report
FY20 Management Approaches	Management approach disclosures as required by the GRI Standards providing information on how we manage, analyse and respond to our enduring themes and material matters.	<ul style="list-style-type: none"> • Overview of our management approach, including governance, procedures, policies, processes and systems • Review and evaluation process • Key roles and responsibilities
FY20 Deep Dive Series	Annual performance reports addressing enduring themes and material matters	<ul style="list-style-type: none"> • ‘Why is this important to Stockland’ • Key financial year achievements • Targets, progress and future priorities • Financial year performance commentary • Case studies
FY20 Sustainability Data Packs	Comprehensive annual data sets on environmental, community and people metrics	<ul style="list-style-type: none"> • Data tables on key metrics • Detailed data required by GRI and the ESG investor surveys we chose to undertake that are in line with our strategy e.g. DJSI, GRESB

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

Enduring themes

We have a long history of addressing sustainability matters that respond to our stakeholders, such as our resource efficiency and the diversity of our workforce. Our responses to these matters are embedded in our day-to-day operations, and we continue to enhance our

management of these themes given their importance to our stakeholders and to our business.

Each year we report on these enduring themes in our series of Management Approaches, Deep Dives and supporting Data Packs, as outlined in the table below. All three of these documents are updated annually.

	Sustainability Matter	FY20 Management Approach	FY20 Deep Dives	FY20 Data Pack
Sustainability Focus Areas	<i>Enduring themes and material matters relevant to our business and our stakeholders</i>	<i>Disclosures on how we manage, analyse and respond to sustainability matters</i>	<i>Performance reports including targets, progress and future priorities</i>	<i>Comprehensive data sets on environmental, community and people metrics</i>
Shape thriving communities	Community	x	x	x
	Customer Engagement and Experience	x	x	x
Optimise and innovate	Asset Rating and Certification ¹	x		x
	Biodiversity	x	x	x
	Carbon and Energy	x	x	x
	Climate Resilience	x	x	x
	Waste and Materials	x	x	x
	Water Management and Quality	x	x	x
Enrich our value chain	Employee Engagement and Development ²	x	x	x
	Employee Diversity and Inclusion ³	x	x	x
	Governance and Risk ⁴	x		x
	Health, Safety and Security	x	x	x
	Human Rights	x	x	
	Stakeholder Engagement ⁵	x		
	Supply Chain	x	x	

¹ There is only an Asset Rating and Certification Management Approach, no associated Deep Dive. Annual updates on asset certifications are included in the Carbon and Energy Deep Dive and the Environmental Data Pack

² Our Management Approach to Employee Engagement and Experience is combined with Our Management Approach to Employee Diversity and Inclusion to create the Employee Engagement, Experience, Diversity and Inclusion Deep Dive.

³ Our Management Approach to Employee Engagement and Experience is combined with Our Management Approach to Employee Diversity and Inclusion to create the Employee Engagement, Experience, Diversity and Inclusion Deep Dive.

⁴ There is only a Governance and Risk Management Approach, no associated Deep Dive. Annual governance and risk reporting is captured in the Annual Report, as well as in the Climate Resilience Deep Dive and the Health, Safety and Security Deep Dive.

⁵ There is only a Stakeholder Engagement Management Approach, no associated Deep Dive. Annual stakeholder initiatives are reported in a number of other Deep Dives, including Customer Engagement and Experience, Community, and Employee Engagement, Development, Diversity and Inclusion.

Material matters

In addition to our enduring themes, we have identified the trends and significant issues that impact the landscape in which we operate. They represent both current and future risks and opportunities for our business and our stakeholders over the short, medium and long term.

Our material matters also align with the core priorities of our sustainability strategy. We anticipate that these matters will evolve over time and we will continue to work with relevant stakeholders to shape these issues going forward. We have responded to our material matters in our Annual Report and where relevant provided further detail in our Deep Dive Series.

Materiality process

Stockland has adopted the materiality definition from the International Integrated Reporting Framework (**Integrated Reporting**) to disclose information about matters that may substantively affect the organisation's ability to create value over the short, medium, and long term. Our Executive Committee and Board regularly review these key risks and disclose them on a biannual basis.

We identify material matters using the following process:

1. Identify

Each year we conduct an operational and strategic risk assessment and identify draft material matters by capturing internal and external perspectives, in line with the principles of Integrated Reporting and the Global Reporting Initiative (GRI) Standards.

Stakeholder perspectives include:

- Investor research and engagement
- Customer feedback and insights
- Employee, executive and Board surveys
- Political and regulatory developments
- Industry engagement and advocacy
- Social and mainstream media.

2. Evaluate and prioritise

Members of our leadership team and senior management participated in interviews and reviews to evaluate the material matters, rank them in terms of greatest significance, and prioritise them based on their ability to affect and impact on value creation over the short, medium and long term.

3. Review and disclose

The following risks and opportunities are considered the most relevant current material matters, which are developed and mapped. These have been reviewed and approved by Stockland's Executive Committee and Board. The materiality process and outcomes have also been assured by Ernst & Young (EY).

Due to the complex nature of these risks and the impact of COVID-19 many of the risks and opportunities detailed below have the potential to impact our business and stakeholders over the short, medium and long term.

Risks and opportunities – our material matters

Our full materiality disclosure is made in the Risk Management section of our **Annual Report**. Material matters include:











- Ongoing impact of the COVID-19 pandemic on our business
- Our ability to deliver on strategic priorities in challenging market conditions
- Our ability to provide environments that support the health, safety, and wellbeing of our employees, tenants, residents, customers and suppliers.
- Climate change may have adverse effects on our business
- Our ability to dispose of non-core assets
- Change within the retail sector impacts rental growth
- Information and technology system continuity and cyber security breaches impact our business
- Regulatory and policy changes impact our business and customers
- Our ability to adapt to new ways of working and maintain a strong corporate culture
- Our ability to anticipate changing customer and community expectations to meet future demand
- Differences between community and customer expectations or beliefs and our current or planned actions could harm our reputation and business.
- Capital market volatility impacts our ability to transact and access suitable capital.
- Housing affordability continues to impact the dynamics of the Australian housing market
- Retirement living residents have high expectations about value and fairness.

United Nations Sustainable Development Goals

We are a signatory to the United Nations Global Compact (UNGC) and support the 10 principles of the Global Compact on human rights, labour, environment and anti-corruption. Our FY20 sustainability reporting also serves as our UNGC Communication on Progress.

Listed in the table below are the United Nations Sustainable Development Goals which are the most relevant to our business and our stakeholders. They are the 10 areas where we have the greatest opportunity to influence change and positive outcomes.

How we seek to impact the SDGs

Icon	Goal	How we do it
	Goal 3 – Good health and wellbeing	Through our focus on employee wellbeing (Employee Engagement, Development, Diversity and Inclusion Deep Dive), community wellbeing (Community Deep Dive), and health and safety (Health, Safety and Security Deep Dive).
	Goal 4 – Quality education	Through our community development activities and partnerships focused on education (Community Deep Dive).
	Goal 5 – Gender equality	Through our commitment to gender pay equity and targets for women in management (Employee Engagement, Development, Diversity and Inclusion Deep Dive).
	Goal 7 – Affordable and clean energy	Through our focus on energy efficiency and renewable energy (Carbon and Energy Deep Dive).
	Goal 8 – Decent work and economic growth	Through our focus on our employees (Employee Engagement, Development, Diversity and Inclusion Deep Dive) and our focus on local economic outcomes where we operate (Supply Chain Deep Dive).
	Goal 9 – Industry, innovation and infrastructure	Through our appointment of a Chief Innovation, Marketing and Technology Officer, our Employee Innovation Groups (Employee Engagement, Development, Diversity and Inclusion Deep Dive) and our focus on innovation in our supply chain (Supply Chain Deep Dive).
	Goal 11 – Sustainable cities and communities	Through our focus on resource efficiency (Carbon and Energy Deep Dive, Water Management and Quality Deep Dive, Waste and Materials Deep Dive), climate risk management (Climate Resilience Deep Dive), and thriving communities (Community Deep Dive).
	Goal 13 – Climate Action	Through our focus on energy efficiency and renewable energy (Carbon and Energy Deep Dive), as well as our focus on climate resilient assets (Climate Resilience Deep Dive).
	Goal 15 – Life on land	Through our commitment to have a net positive impact on biodiversity across our residential developments (Biodiversity Deep Dive).
	Goal 17 – Partnerships for the Goals	Through our strong engagement with our stakeholders (Our Stakeholder Engagement Management Approach), our focus on our customers (Customer Engagement and Experience Deep Dive), and our expectations of our suppliers (Supply Chain Deep Dive).

Reporting scope

Stockland's 2020 sustainability reporting is an account of our sustainability performance for the financial year from 1 July 2019 to 30 June 2020 (FY20). It is independently assured by Ernst & Young (EY). It follows our FY19 sustainability reporting, which was published online in August 2019.

We have publicly reported our sustainability performance on an annual basis since 2005. It includes detailed discussion of our enduring themes and material sustainability matters, as well as in-depth data sets and case studies. Our sustainability reporting for FY20 was published in August 2020 and is publicly available at stockland.com.au/sustainability.

Sustainability reporting forms part of our corporate reporting suite, which includes the following documents:

- Annual Integrated Report – an integrated report outlining how the company creates value for stakeholders focused on our strategy, governance, financial, social and environmental performance in compliance with statutory reporting requirements and the recommendations of the Task Force on Climate-related Financial Disclosures;
- Property Portfolio – details on the assets within our portfolio; and
- Investor presentation and annexures relating to our financial results, operating performance and strategy.

We operate exclusively in Australia and own, manage and develop a growing portfolio of retail town centres, logistics centres, business parks, workplace assets, residential communities and retirement living communities. Throughout our sustainability reporting, our data and content are broken down and presented by our business units (Commercial Property and Communities) to capture and reflect the unique challenges and achievements specific to each business unit.

In some instances, however, we have reported data and content more holistically where the challenges, achievements and management approaches are inherently similar across all businesses.

With regard to external boundaries, unless otherwise stated we do not include data for entities outside the organisation. For our supply chain, we discuss management of our consultants, contractors and sub-contractors, but only provide data relating to these external entities if and when they fall within our 'operational control' boundary, as defined by the *National Greenhouse and Energy Reporting Act 2007 (NGER Act)*.

KEY CHANGES TO OUR REPORTING IN FY20

Impact of COVID-19 pandemic on our reporting process. This year marks the end of our three-year sustainability target cycle. We are proud to have achieved many of these targets and had previously committed to setting new longer-term targets for FY21 and onward. Due to the business challenges associated with the COVID-19 pandemic, we have delayed the launch of our new 2030 Sustainability Strategy and its associated long-term targets to late FY21. Where feasible, we have rolled over our FY20 three-year targets for an additional year to maintain our focus on sustainable outcomes for our stakeholders.

Our community development spend is lower for FY20 than in previous years largely due to a change in our reporting coverage. The COVID-19 pandemic has impacted our business in several ways. During this time, Stockland's focus has been on supporting our people, customers, residents and tenants. One of the ways we wanted to support our people (working at our assets) was to reduce the reporting burden and provide them with the time and resources needed to focus on managing our COVID-19 response. As a result, this year we have not collected community development spend data by our assets and communities and have only reported on the community investment spend driven by Stockland's head office. This has included initiatives led through the CARE Foundation, our spend with national community partners, our community investment spend and our response to the COVID-19 pandemic. Additionally, many of our community activations from March onwards were unable to be held due to COVID-19. In some cases they were conducted virtually. Examples include the pivoting of our face-to-face community programs with both Jamie's Ministry of Food and Live Life Get Active to online classes for our residents and customers. Looking forward, we are exploring alternative ways to deliver community development programs and collate investment and impact data in light of the new and evolving context.

Assurance update. To ensure we continue to produce best practice reporting, we have updated our assurance to focus on Integrated Reporting principles of materiality, stakeholder responsiveness, reliability and completeness. These principles are closely aligned to the AA1000 principles we have applied in the past.

Streamlined reporting. We have removed the following Deep Dives from our series: Governance and Risk, Stakeholder Engagement, and Asset Ratings and Certification. We continue to report our Management Approach for each of these enduring themes, however to reduce duplication we have removed the annual updates on these topics. Asset certifications can be found in the Environmental Data Pack and updates on security (including information on cyber security) have been integrated into our Health, Safety and Security Deep Dive. Additional Governance and Risk reporting is captured in the Annual Report, as well as in the Climate Resilience and Health, Safety and Security Deep Dives. Annual Stakeholder Engagement initiatives are reported in a number of other Deep Dives, including Customer Engagement and Experience, Community and Employee Engagement, Development, Diversity and Inclusion.

External assurance

We have reported in adherence to the International Integrated Reporting Framework Principles of materiality, stakeholder responsiveness, reliability and completeness, and in accordance (Comprehensive) with the Global Reporting Initiative Sustainability Reporting Standards. Please refer to the [GRI Index](#) for more detailed information on where relevant indicators are disclosed in our reporting suite.

The sustainability reporting content has been externally assured in accordance with the Australian Standard for Assurance Engagements (ASAE3000): Assurance Engagements other than Audits and Reviews of Historical Financial Information and (ASAE 3410): Assurance Engagement on Greenhouse Gas Statements by Ernst & Young (EY).

EY provides **limited assurance** over:

- material non-financial performance information including data on greenhouse gas and energy, community contribution, retail customer engagement, employee engagement, health and safety, gender diversity, water consumption, and waste production
- selected qualitative disclosure relating to performance data, and selected qualitative disclosures pertaining to our material issues as outlined within our reporting
- our adherence to the Integrated Reporting Principles of materiality, stakeholder responsiveness, reliability and completeness

A copy of EY's **assurance statement** is available on our [website](#).

Feedback

We welcome your questions and value your feedback about our reporting approach.

Please contact us at sustainability@stockland.com.au

Our Management Approach to Community

A. Purpose

This document sets out our management approach to how Stockland shapes thriving communities, which includes our work in the areas of community investment and community development. It should be read in conjunction with our **Community Deep Dive** (available on our [website](#)), where we report on progress against community investment and development 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**.

As one of Australia's largest diversified property groups, we are well placed to have a positive and lasting impact on the communities in which we operate. We believe there is a better way to live and our goal is to create and shape communities that thrive now and into the future.

We seek to achieve this goal at our Retail Town Centres, Residential and Retirement Living communities by focusing on Health and Wellbeing, Community Connection, and Education.

We focus on these three areas because our proprietary customer and industry research tells us these are the areas that matter when our customers are deciding where to live, play and shop.

Our contribution to creating and shaping thriving communities is coordinated through the following activities:

- **community partnerships and programs** – social infrastructure and programs across our three focus areas: health and wellbeing, community connection and education;
- **community investment** – our employee volunteering and giving programs;
- **community development** – projects and initiatives that enhance the communities at our assets; and
- **the Stockland CARE Foundation** – our charitable trust, which delivers infrastructure, programs and initiatives to Australian communities.



More information on our approach to Community can be found in our **Community Deep Dive**.

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/>)

B. Management approach

B1. Overview

Our contribution to creating and shaping thriving communities is through the delivery of social infrastructure and programs across our three focus areas: health and wellbeing, community connection and education. We have strategic priorities in each focus area:

Health and wellbeing

- promote activities and places that encourage positive physical and mental health and wellbeing
- incorporate design that optimises accessibility, safety and mobility.

Community connection

- promote activities that foster engagement, pride and a sense of belonging
- promote design that creates a sense of place and supports recreation and participation
- incorporate accessibility and inclusiveness into the design of our assets, communities, and supporting infrastructure.

Education

- promote programs that support economic employment within our communities
- incorporate design that facilitates learning and education opportunities for all ages.

a. Health and wellbeing

We are focused on promoting the health and wellbeing of our Residential and Retirement Living communities and the communities living around our Retail Town Centres. We seek to provide our communities with access to fresh, healthy food and encourage participation in active and healthy living practices. This focus is supported by our Liveability research that illustrates the value communities place on parks, open spaces, recreational infrastructure and a feeling of safety within their communities.

We seek to activate communities with health and wellbeing programs that support positive physical and mental health for all ages such as exercise and recreational groups, healthy eating and cooking programs as well as physical and mental health information services.

We seek to provide (or facilitate the provision of) infrastructure that supports community health and wellbeing, such as accessible community amenities and services, active public transport options, parks and recreational facilities, walking paths, cycle ways and inclusive playspaces.

b. Community connection

We invest in community connection by focusing on activities that support self-sustaining social cohesion. Our focus and commitment to community connection reflects our research that indicates our residents desire greater community connection.

We seek to provide (or facilitate the provision of) infrastructure that supports community connection, such as community centres, hubs, public art, place-making initiatives and multi-use formal and informal spaces. For greatest impact, we seek to engage with community groups on projects and encourage participation in the vision, design and development process.

c. Education

Our focus and commitment to education is supported by customer research, such as our proprietary Liveability Index, which identifies access to and quality of education as a major driver of personal wellbeing and prosperity for individuals, families and communities.

Critical to the delivery of this focus area is providing access to formal and informal opportunities (including mentoring) for quality education and skills development at all life stages, and, through this access, enhancing the economic prosperity of our residents, retailers, customers, local communities and other stakeholders.

Infrastructure that supports sustainable education includes the effective design and delivery of schools, libraries and learning hubs, local employment and training facilities, connectivity centres in partnership with contractors and local employment services, retailer training programs, and co-working spaces.

B2. Community partnerships and programs

We have close working relationships with a variety of community organisations that help us deliver social infrastructure and programs in and around our assets. These partners align with our three community focus areas: health and wellbeing, community connection and education.

We categorise our community partners and programs as Foundation, national or local:

- **Foundation** partners are those we work with through the Stockland CARE Foundation. The Stockland CARE Foundation directs its financial and in-kind support to organisations that positively impact the health and wellbeing and education of communities in and around our assets.
- **National** community development programs and partners have national reach across our assets and projects and work with our teams to deliver infrastructure and programs aligned to our three focus areas. National partnerships are managed by our national Sustainability Team and are selected based on assessment criteria outlined in our **Request for Charitable Support and Sponsorship Guideline**.
- **Local** community partners and programs work with our asset teams at the local, regional or state level to deliver ad hoc events or programs in and around our assets, servicing a particular societal need of the local community. Local community partners are not required to meet the same criteria as national or Foundation partners as they meet bespoke, local community requirements.

Each year we review new community partner opportunities according to criteria outlined in our **Request for Charitable Support and Sponsorship Guideline**. This **guideline** is also available for community members and organisations that request financial, in-kind or other types of support from us.

Our community partnerships, programs and resources are summarised in our annual **Community Deep Dive** and **Community Data Pack**.

B3. Community investment

a. Workplace giving

Workplace giving at Stockland allows all full-time, part-time and fixed term employees to make donations to a charity of their choice from their pre-tax income. We match 100 per cent of these employee contributions up to \$5,000 per individual to an overall cap of \$100,000 each financial year, and absorb the associated administrative costs, maximising the financial donation to the charity.

We partner with **Good2Give** to administer our workplace giving program.

b. Corporate donations

Corporate donations are made in response to specific events and ad hoc charitable purposes, in line with our internal policy related to charitable support and sponsorship. These donations may be in support of a number of charitable causes, including emergency relief appeals in and around our assets or one-off community investment opportunities that align with other Stockland programs or strategies, such as our bushfire related grant programs and COVID-19 online community activations.

c. In-kind support

We also provide local community groups with in-kind support (such as community space in our retail centres or access to land for charitable purposes) at no cost or at a discounted rate.

d. Volunteering

Our volunteering program provides our employees with the opportunity to volunteer with an organisation of their choice or with our national community partners in and around our communities. We provide opportunities for our employees to participate in volunteering opportunities that have a clear and positive impact on community health, education or connection.

Employees can volunteer their time and skills in three key areas:

- **Team volunteering** provides much-needed support to our local communities as well as serving as a powerful team building exercise, and gives employees a chance to connect with our customers and communities. We encourage all our employees to participate in at least one team volunteering day each year.
- **Student mentoring** provides a way for individual employees to volunteer their time and skills as part of a facilitated program. We provide opportunities for our employees to mentor both primary and high school students through our partnership with the Australian Business and Community Network (ABCN).

- **Personal volunteering** supports full-time and part-time employees to take up to 16 hours of personal volunteering leave per year for a charity of their choice, in addition to their team volunteering activities. Personal volunteering can also take place through flexible working arrangements agreed upon by employees and their managers.

Selected assets and projects across our Retail Town Centre, Residential and Retirement Living portfolios complete a community development plan (incorporated into the sustainability plan for Residential communities and the asset plan for Retirement Living communities) to plan community activities and initiatives for the upcoming financial year.

B4. Community development

Community development refers to the projects and initiatives designed to enhance the communities at our residential communities, retirement living villages and retail town centres.

Selected assets and projects across our Retail Town Centre, Residential and Retirement Living portfolios complete a community development plan to plan community activities and initiatives for the upcoming financial year:

- Retail Town Centres develop community development plans that outline the key community development activities to be performed throughout the year. All city, regional, sub-regional and neighbourhood Retail Town Centres with a Gross Lettable Area (GLA) of less than 10,000 m², non-branded Stockland retail assets and joint ventures are generally not required to complete a community development plan. It may be determined that a community development plan is needed for a particular Stockland Retail Town Centre with a GLA of less than 10,000 m² due to one or more of the following factors:
 - the community need of the surrounding area
 - the availability of financial resources that would enable community development activities
 - the availability of our resources to administer the community development plan and associated activities.
- All Residential communities are required to develop a community development plan for the financial year that new residents first move into their new homes. Community development plans are reviewed to integrate Liveability results, national community standards and targets (where appropriate), and new partnership and program opportunities.
- All our managed Retirement Living communities (development and established) have a community development plan that captures national community development initiatives, community grants and CARE Foundation activities. In our Retirement Living portfolio, we only report on those community development activities that have been co-ordinated at a national level.

B5. Stockland CARE Foundation

Founded in May 2015, the Stockland CARE Foundation is a charitable trust established to deliver programs and initiatives to improve the lives of people living in or near Stockland communities. The Stockland CARE Foundation directs its support to strategic and aligned charitable partners who help Stockland deliver on this purpose.

In September 2019, the Stockland CARE Foundation brought together charity partners ReachOut Australia, Redkite and R U OK? in a collaborative partnership model that aims to improve wellbeing in communities across Australia. The Foundation will invest more than \$1 million and ongoing non-financial support (such as through volunteering and the provision of meeting spaces at our assets) over the next three years to help support mental health programs in Australian communities. Further information is available in the **CARE Foundation section of our website**.

The Stockland CARE Foundation Board oversees the Foundation strategy and programs and the Stockland CARE Foundation employee network supports the Foundation through communicating activities, recruiting volunteers, helping with events and sharing insights.

Further information on the governance of the Stockland CARE Foundation can be found in **Our Management Approach to Governance and Risk**.

C. Review and evaluation of the management approach

We set targets and priorities that guide the delivery of social infrastructure and programs across our three focus areas of health and wellbeing, community connection and education.

We report on our progress against these targets as well as our commitments and targets for community investment, community development and the Stockland CARE Foundation in our annual **Community 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.

C1. Community partnerships

Each existing national partnership is periodically reviewed and evaluated for community uptake and achievement of desired impact. Each partner is also required to provide us with consistent reporting, including the number of participants involved and program frequency.

All new or potential community partners must submit a proposal to our Sustainability Team, in accordance with our **Request for Charitable Support & Sponsorship Guideline**.

C2. Community investment

We collect, measure and report data relating to community investment initiatives on an annual basis, including our time, monetary support and in-kind donations given to charities and community groups. We collate and analyse this data to inform any modifications to our approach and to communicate the outcomes of our activities to our stakeholders. We continue to work with London Benchmarking Group, coordinated by Corporate Citizenship, to validate the data collected, verify the validity and accuracy of Stockland's reported community investment datasets, and to benchmark our performance relative to other Corporate Citizenship members.

We also undertake reviews of programs, partners and participation rates to measure and report the effectiveness of our approach.

C3. Community development

All projects and assets that complete a community development plan are required to submit their plans to the national Sustainability Team for review and report on the delivery of initiatives over the previous financial year. This includes initiatives implemented, total spend and the commercial and social outcomes achieved.

The national Sustainability Team collates data from each community development plan and tracks progress of community development against our sustainability strategy and targets.

Changes to Community Development Data in 2020 in response to the COVID-19 pandemic

Our community development spend is lower for FY20 than in previous years largely due to a change in our reporting coverage. The COVID-19 pandemic has impacted our business in several ways and during this time, Stockland's focus has been on supporting our people, customers, residents and tenants. One of the ways we wanted to support our people (working at our assets) was to reduce the reporting burden and provide them with the time and resources needed to focus on managing our COVID-19 response. As a result, this year we have not collected community development spend data by our assets and communities and have only reported on the community investment spend driven by Stockland's head office. This has included initiatives led through the CARE Foundation, our spend with national community partners, our community investment spend and our response to the COVID-19 pandemic. Additionally, many of our community activations from March onwards were unable to be held due to COVID-19. In some cases they were conducted virtually. Examples include the pivoting of our face-to-face community programs with both Jamie's Ministry of Food and Live Life Get Active to online classes for our residents and customers. Looking forward, we are exploring alternative ways to deliver community development programs and collate investment and impact data in light of the new and evolving context.

C4. Community engagement

We use business-specific tools, and resources such as online research platforms and face-to-face customer consultation sessions to directly engage with community members throughout the year. This provides us with confirmation on where we are successfully delivering community development initiatives in accordance with our sustainability strategy, and allows us to refine our processes if required. Refer to **Our Management Approach to Customer Engagement and Experience** for further information on the mechanisms we use to seek feedback from customers.

D. Responsibilities

Roles and responsibilities related to our management approach to community investment, community development, and the Stockland CARE Foundation are provided in the table below.

Role	Responsibilities
Board Sustainability Committee	Oversight of community approach, targets, and performance tracking
Chief Financial Officer	Responsibility at Group level for community investment, community development and the Stockland CARE foundation Reports directly to the Managing Director and CEO
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Accountability for community development delivery within respective business units
Executive Committee	Supports the delivery of our community approach
National Manager – Group Sustainability, supported by National Sustainability Managers and the CARE Foundation Manager	Effective implementation and evaluation of community investment and development approach Provide guidance to Commercial Property and Communities asset teams to deliver sustainability plans
Development Managers and Asset Managers	Effective delivery and management of community development at a project and asset level
CARE Foundation Board	Oversight of Stockland CARE Foundation strategy and programs (Board composition provided in Our Management Approach to Governance and Risk)

E. Version control

Revision	Published	Owner	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	–
2	August 2019	National Manager – Group Sustainability	–
3	April 2020	National Manager – Group Sustainability	COVID-19 reference

Our Management Approach to Customer Engagement and Experience

A. Purpose

This document sets out how we engage with our customers to understand their changing needs and enhance the customer experience. These insights are critical to the sustainability of our business and the ongoing relevance and reputation of our brand, products, and services.

This document should be read in conjunction with our **Customer Engagement and Experience Deep Dive** (available on our [website](#)), where we report on progress against customer engagement and experience 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**.

Our commitment to customer engagement is consistent across our diverse customer base, which includes:

- the people who live in our residential communities
- the people who live in our retirement living communities
- the people who may potentially live in our residential and retirement living communities
- shoppers and retailers in our retail town centres
- workplace and logistics tenants across our commercial assets.



For more information on our approach to customer engagement see our **Customer Engagement and Experience Deep Dive**.

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/>)

B. Management approach

B1. Overview

Strong customer engagement is a priority for Stockland, and involves:

- understanding who the customer is and relative customer segments;
- understanding the customer journey and establishing a high standard of customer service excellence;
- identifying customer values and needs and developing relevant value propositions;
- committing to measurable investments that create both new customers and brand advocates who are willing to share their experience with friends and family; and
- unlocking the value of positive customer experiences by encouraging existing customers to refer friends and family, and rewarding repeat purchases of Stockland products.

Customer engagement methods and objectives vary across business units due to the different requirements of our diverse customer base. We focus on understanding the various customer segments and what drives value for these customers across their journey, with a focus on:

- **customer insights** – quantifying the size and value of different segments within assets' geographic catchment areas, understanding the needs, values, attitudes and behaviours of current and prospective customers to inform strategic decisions regarding portfolio mix and the design, and delivery and operation of new and existing projects and assets. This enables the development of products and services that respond to customer needs and in turn generate more sustainable returns for the business.
- **customer analytics** – using behavioural data for customer segmentation, customer journey optimisation, business intelligence and predictive analytics enabling Stockland to develop strategies that drive conversion.

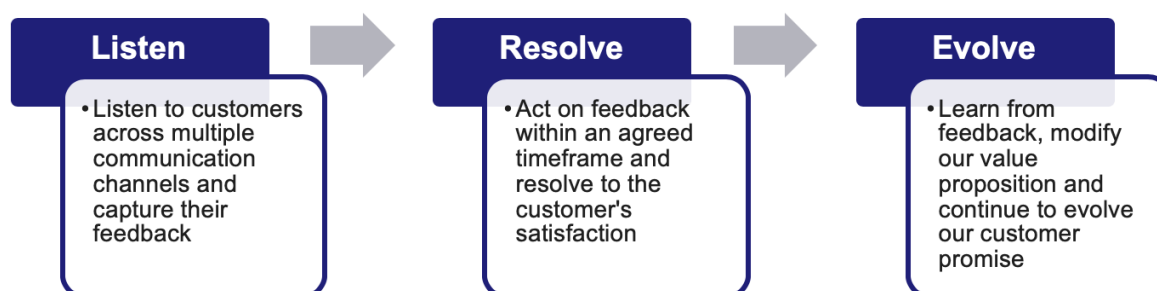
- **customer experience** – developing a strategy to drive positive customer experience and then measuring the experiences of our customers to evaluate areas for improvement in service delivery and in the design and operation of our assets. This includes annual surveys and regular ongoing engagement with our customers to provide quality service and prompt issues management.

Customer research is provided to the respective business units and projects and customer insights are used across the business (such as development, sales, marketing, business development and sustainability) to inform strategy and decision-making, and help our assets meet the evolving needs of our customers and the community.

Learning and improving via customer feedback

Stockland is committed to collecting, understanding and learning from customer feedback, both positive and negative. It is critical for Stockland, as a customer-centric organisation, to handle feedback in a disciplined manner for continuous improvement of products and processes. Proper handling of feedback maximises customer satisfaction while also protecting our reputation, mitigating our social and other media risk, and increasing trust and transparency with our customer issues in a responsive manner.

Feedback across all businesses is collected via Salesforce case management and resolved via front line staff. A Customer Feedback Framework and Customer Feedback and Complaints Procedure based on guiding principles of "Listen → Resolve → Evolve" have been embedded across the business via regular training and our intranet. These are used for consistently categorising feedback, identifying complaint severity, guidance for escalation to management, and aligning behind target time frames to resolve.



This strategy is embedded operationally via “Stockland Listens”, in which customers are invited in to discuss their experience and feedback in front of all staff. These events form part of each local team’s operating rhythm, being held at least twice a year at each Stockland office. A live customer call listening program is also in place. From this ongoing employee / customer connection, diverse ideas to improve the experience are generated and collected, and performance objectives are assigned to ensure accountability for implementation.

Feedback collected from all channels (including but not limited to Salesforce, social media, Stockland Listens and our regular surveys) is aggregated and distributed to management, as well as to our Executive Committee and the Board of Directors. This includes quantified trends

and recommendations. Insights are shared and discussed at monthly Business Unit Leadership Teams. Performance objectives related to importance of entering feedback into Salesforce, actions taken to improve, as well as closing out complaint cases over a certain age, are shared throughout the business, from the front line to senior management.

B2. Management approach by business unit

Our key customer engagement mechanisms for each business unit and customer group are outlined in the table below.

Group

	How we engage	Why we engage
All consumer groups	In 2014, we launched our own online research community, Stockland Exchange . This is a community of over 5,800 members who are customers of our shopping centres, residential and retirement villages.	The community is used to conduct research across our projects and assets. This enables us to better understand our customer needs, test ideas and provide a mechanism for customers to influence our decision-making.
	In 2014, we implemented a Group-wide brand-tracking program. The purpose of this research is to measure brand awareness, image and reputation compared to key competitors on an ongoing basis.	We also use this platform to communicate with our members on various Stockland initiatives, demonstrating that Stockland listens and serves to engage members. This program provides deeper insight into the drivers of our reputation and helps identify how we can improve our reputation and how we compare to our peers.

Commercial Property

	How we engage	Why we engage
Retail Town Centre tenants	<p>We conduct annual satisfaction tracking research among our retail tenants via two research studies:</p> <ul style="list-style-type: none"> • Stockland proprietary approach, a research study of centre tenants conducted on Stockland's behalf; and • Monash University's TenSAT survey, an industry study of head office-based retailers run on behalf of several landlords. 	<p>To better understand retailer satisfaction as well as the drivers for lease renewal so that we can respond to concerns that impact most heavily on retailer retention.</p>
	<p>Over the last 12 months we created "Stockland Listens", in which we invite retailers in to share their stories and feedback, and make it easier for shoppers to submit questions, complaints or compliments via a 'web app' promoted in centre.</p>	<p>Stockland Listens seeks to proactively solicit retailers and shopper feedback in an environment where employees can hear real stories and be inspired to continually improve. It also an alternative channel to bolster existing insights.</p>
Shoppers	<p>We conduct shopper satisfaction audits across retail centres as part of Monash University's ShopperSat research, which measures shopper experience across over 120 centres nationally.</p>	<p>To monitor satisfaction and perceptions of our shopping centres and identify opportunities to better meet customers' needs by offering the right retail mix and engaging shopping environments.</p>
	<p>We engage with shoppers through market research studies such as surveys, focus groups and discussion forums.</p>	<p>To better understand shoppers' views, perceptions and behaviour on specific issues, centre place-making initiatives or potential new initiatives.</p>
	<p>We use transactional data to analyse the spending habits of our shoppers and residents who live in our centres' trade areas through the using anonymous and de-identified transactional data.</p>	<p>To inform our tenancy mix and retail development planning, as well as track our centre performance over time. This information is also used to inform our place-making strategy and better understand our customers shopping habits and preferences.</p>
Workplace and Logistics tenants	<p>We conduct annual surveys with tenants across our Workplace and Logistics portfolio.</p>	<p>To assess tenant satisfaction and help us build stronger customer relationships.</p>

Communities

Residential

	How we engage	Why we engage
Prospective residents	<p>We conduct ongoing 'Voice of the Customer' research with prospective customers (leads) and when customers place a deposit with us.</p>	<p>To continually enhance the customer experience throughout the buying journey and ultimately increase sales conversion.</p>
	<p>We conduct surveys with customers at the point when they settle their contracts with us.</p>	<p>To continually monitor the customer experience between deposit and settlement and identify areas for improvements.</p>
	<p>Mystery Shopping research which audits the sales experience.</p>	<p>To provide consistency in the sales experience delivered at point of sale that ultimately leads to increased conversion and referral business.</p>
Community residents	<p>A key element of our residential customer engagement is our proprietary Liveability research, which identifies the specific elements that enhance customer satisfaction among our community residents.</p>	<p>To identify specific elements that most significantly enhance customer satisfaction. By focusing on development and community creation activities, we can increase satisfaction and drive greater referral rates.</p>
	<p>'Stockland Listens' connects residential customers and staff by bringing customers in to share their experiences or listening to live calls in the Contact Centre.</p>	<p>To enable as close as possible to 100 per cent of residential employees to regularly connect with customers, learn what is important to them and inspire action and improvement.</p>

Retirement Living

	How we engage	Why we engage
Prospective residents	We conduct sales experience research with inquiring residents and those who have reserved a property.	To better understand the sales experience and prospective customers' needs to ultimately increase sales conversion.
Retirement Living community residents	We conduct an annual satisfaction survey with residents called Residents Voice. This is equivalent to the Liveability Index research completed in our residential communities.	To monitor how our customers feel about life in their Stockland retirement living community. We can use this customer sentiment to inform areas of improvement and drive greater referral rates.
	We conduct a Welcome Home survey with residents when they move in, to better understand the overall move-in experience and hence identify improvement opportunities.	Residents who have high satisfaction levels will be inspired to share their experiences and this has a positive influence on prospective residents.
	Resident Feedback Program – each Welcome Pack provided when residents move in explains how they can provide feedback.	Opportunity for residents to provide us with feedback on village life at any time.

C. Review and evaluation of the management approach

We review and evaluate our progress against our customer engagement and experience targets in our annual **Customer Engagement and Experience Deep Dive**, centred on metrics such as retailer/tenant satisfaction, liveability, likelihood to recommend, and resident wellbeing. In this reporting, we include:

- a status update of 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.

Customer research is used and reviewed at Project Control Group meetings (monthly meeting to review progress of development projects) and Asset Control Groups, which review and respond to customer experience findings. In addition, key insights from customer and other research are incorporated into Investment Review Group papers and reviewed by the Research team to enable customer insights to be accurately reported and considered in investment decision-making. The Customer Insights team works with the business units to set and review customer research-related KPIs so that they are attainable and in line with customer expectations.

D. Responsibilities

Roles and responsibilities contributing to execution of our approach to customer engagement and experience are described in the table below.

Role	Responsibilities
Chief Innovation, Marketing and Technology Officer	Responsibility for customer insights at a Group level Responsibility for customer experience at a Group level
Chief Innovation, Marketing and Technology Officer	Responsibility for customer experience at a Group level
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Responsibility for customer experience in their business units. Each business unit has customer-focused key performance indicators designed to continually improve customer engagement
Executive Committee	Supports the delivery of our customer engagement and experience approach
General Manager – Customer & Group Marketing	Responsible for driving customer-centricity within Stockland as well as the implementation of Marketing using customer insights within each of the business units Reports directly to Chief Innovation, Marketing and Technology Officer
National Customer Experience Manager	Set group-wide strategy to deliver a differentiated customer experience and drive commercial outcomes. Provide thought leadership and maintain an organisation-wide strategy to continually improve the differentiated Stockland customer experience Support the business units to implement their customer experience programs
Customer Insights team	Management of company-wide customer insights and customer analytics and informing strategic recommendations
Group Research	Analysis of customer insights from our customer relationship management system as well as providing marketing analytics to increase customer leads, conversion and retention
Market Insights team	Analysis of industry data and using it to inform a product and pricing strategy
Customer-facing employees	Meet evaluation criteria for customer service

E. Version control

Revision	Published	Owner	Changes
1	September 2018	National Manager Customer Insights National Manager Customer Experience	Update to include Stockland Listens as an ongoing program.
2	August 2019	National Manager Customer Insights National Manager Customer Experience	Updated approach to customer feedback, and added information about Stockland Listens as an engagement mechanism.
3	April 2020	National Manager Customer Insights National Manager Customer Experience	Updated management approach to reflect the new team structure

Our Management Approach to Asset Rating and Certification

A. Purpose

This document sets out our approach to the use of rating and certification schemes, which are important means of assuring and demonstrating the quality of our projects and assets. It should be read in conjunction with the **Environmental Data Pack** which contains a list of our asset ratings and certifications. 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**.

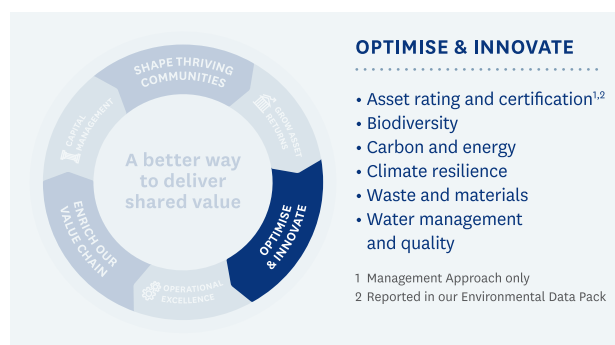
Asset ratings serve as independent validation that key sustainability aspects, including social and environmental factors, have been considered in our project and asset designs, developments and operations. Rating and certification schemes also enable us to demonstrate compliance with state and national regulations, benchmark our sustainability performance against our peers, and regularly track and improve our performance across our various asset classes.

Assets that are highly rated and can demonstrate optimal performance are often more attractive to customers and investors. Not only do they deliver a certain level of energy and water efficiency, and therefore cost savings over the long term, they also incorporate various design features that promote social inclusion and enhance health and wellbeing. Buildings with high environmental ratings often demonstrate higher return on investment over time.²



A list of our asset ratings and certifications is contained in our **Environmental Data Pack**.

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 Green Building Council of Australia, Value of Green Star – A decade of environmental benefits, May 2013. This was verified by the 2015 Property Council/ IPD Australia Green Property Index

B. Management approach

The table below lists the key rating and certification schemes that we use and how they are applied across our portfolio. The requirements for achieving

ratings and certifications are embedded in our strategy, targets, policies, and toolkits to assist decision-making as appropriate.

Rating / Certification Scheme	Stage of Life Cycle	Asset Class
Green Star	Design, Development, Operations	Workplace, Retail Town Centre, Retirement Living, Residential
NABERS	Design, Development, Operations	Workplace, Retail Town Centre
NatHERS and BASIX	Design	Retirement Living, Residential
Livable Housing Australia	Design, Operations (Retirement Living, Independent Living unit fitout)	Retirement Living, Residential

B1. Green Star

Green Star relates to a suite of certification schemes developed and administered by the Green Building Council of Australia (GBCA). Green Star is a national and voluntary rating system for buildings and communities designed to drive the adoption of sustainable practices in the Australian property industry.

Green Star Design & As Built assesses the sustainability outcomes from the design and construction of new buildings or major refurbishments. We require our new Retail Town Centre, Workplace and Retirement Living developments, and Retail Town Centre and Workplace redevelopments in excess of 8,000 square metres, to achieve a minimum of 4 star Green Star Design & As Built certification with a review of opportunities to stretch to 5 stars. Our sustainability team works closely with project design and delivery teams to integrate targets into design briefs and contract documents.

Green Star Performance assesses the operational performance of buildings. We have used Green Star Performance to benchmark the performance of our Retail Town Centre, Workplace and Business Parks portfolio. Our Green Star Performance ratings also enable us to develop asset strategies for improving performance over time. We renew Green Star Performance ratings ahead of expiry of the three-year performance rating period.

Green Star Communities assesses the planning, design, and construction of large scale development projects at a precinct, neighbourhood, or community scale. We use Green Star Communities in our Residential portfolio to independently verify our leadership in delivering sustainable masterplanned communities.

B2. NABERS

The National Australian Built Environment Rating Scheme (NABERS) is a national rating system that measures the environmental performance of Australian buildings, tenancies and homes in occupancy. It uses measured and verified operational performance information to assess the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment. This performance is converted into a rating scale of 1 to 6 stars, with 6 being market-leading performance.

We undertake NABERS Energy and NABERS Water ratings annually on the base building across Retail Town Centre, Workplace and Business Parks assets, with tenancy ratings only undertaken on office tenancy space that we occupy. NABERS maintains an eligibility requirement specifying that assets under 15,000 square metres cannot be rated.

For our new Workplace and Retail Town Centre developments, we enter into a NABERS Commitment Agreement, which sets a clear target for achieving a NABERS rating outcome from the design of new buildings. Early commitment in the schematic design stage allows the project design team to follow a protocol for modelling energy performance in operation and having this independently reviewed and optimised. Following a strict energy monitoring and building tuning program, once in operation, gives greater certainty of achieving the target rating sometimes several years after the project is initially designed.

B.3 NatHERS and BASIX

Both the Nationwide House Energy Rating Scheme (NatHERS) and Building Sustainability Index (BASIX) are rating schemes applicable to dwellings.

NatHERS is a national framework developed for regulating the classification of Australian homes for their thermal performance. A NatHERS thermal performance rating assesses the amount of mechanical heating and cooling (e.g. air conditioners) that will be required to keep a home at a comfortable temperature.

Each state in Australia has minimum standards around thermal performance based on specific NatHERS ratings. NSW is different in that it uses BASIX (Building Sustainability Index) as a measure of energy use in the home; however, thermal performance forms a part of a BASIX rating. We use these regulations as well as other state-based building requirements as benchmarks for our sustainability targets and initiatives. Our current target requires our homes to be designed to exceed energy efficiency regulations by 10 per cent.

The NatHERS rating scale is from 1 to 10, with 10-star rated homes being the most thermally efficient and having minimal heating and cooling requirements. We work with builders to build homes that go beyond the 6-star minimum rating mandated by governments across Australia.

B4. Livable Housing Australia

Livable Housing Australia (LHA) maintains a voluntary three-tier performance range for liveable housing design: Silver, Gold and Platinum. This LHA certification promotes good design principles focused on accessibility, and can add to the long-term value of homes in our communities. The Livable Housing Design Guidelines describes 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 Livable Housing Design Quality Mark to accredited building projects that are assessed at the Design and As Built stages of development.

As the largest residential property developer in Australia, with an overarching commitment to liveability, we use LHA guidelines to improve industry standards and to deliver liveable communities. We are committed to all sustainability hubs in our communities being constructed to minimum LHA Silver level, and increasing the number of homes constructed to Silver level standards in our display villages, retirement living villages, medium density and completed homes projects.

C. Review and evaluation of the management approach

We set LHA commitments and targets for guiding NABERS ratings on a three-yearly basis to focus our investment in performance improvements across our portfolio. We report on asset ratings and other certification achievements across our portfolio in our **Carbon and Energy Deep Dive** and our **Environmental Data Pack**.

The use of rating and certification schemes, as well as commitments or targets related to the schemes, are reviewed along with the review of our performance. We are corporate members of the Green Building Council of Australia, which provides us with insight into the review and evolution of Green Star rating tools and other industry trends in asset rating and certification. We also work closely with the NABERS Administration team on developments and improvements to the NABERS suite of rating tools.

D. Responsibilities

Roles and responsibilities related to our approach to asset ratings and certifications are provided in the table below.

Role	Responsibilities
Board Sustainability Committee	Oversight of sustainability approach, targets and performance tracking
Chief Financial Officer (CFO)	<p>Responsibility at a Group level for environmental performance, including asset ratings and certification</p> <p>Reports directly to Managing Director and CEO</p> <p>Chairs our internal Sustainability Steering Committee, which is composed of senior management from various organisational departments including Strategy, Investor Relations, Stakeholder Relations, Project Management, People and Culture, Legal, Risk, Operations, Development and Sustainability.</p>
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Delivery of asset ratings and certifications
Executive Committee	Supports delivery of asset ratings and certifications
National Manager – Group Sustainability supported by National Sustainability Managers and National Operations Managers (for Commercial Property and Retirement Living portfolios)	Strategic identification and evaluation of asset ratings and certifications across our diverse portfolio of assets
Development Managers and Asset Managers	Management of asset ratings and certifications at project and asset level

E. Version control

Revision	Published	Owner	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	
2	August 2019	National Manager – Group Sustainability	
3	April 2020	National Manager – Group Sustainability	

Our Management Approach to Biodiversity

A. Purpose

This document sets out our approach to managing and conserving biodiversity where we operate. It should be read in conjunction with our annual **Biodiversity Deep Dive** (available on our [website](#)). 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**.

We recognise the important role biodiversity plays in sustaining healthy ecosystems and supporting human health and wellbeing. We also understand the intrinsic value of biodiversity and global significance of Australia's unique flora and fauna. We also know that our customers value access to nature, and so integrating developable land with conservation and enjoyment of biodiversity is critical to the overall success of our masterplanned communities.

We develop new land for housing, including infrastructure and social amenities, to create sustainable, thriving communities. Development brings challenges and opportunities that we manage as we deliver our projects. In particular, developments on greenfield sites can impact local bushland habitat, ecological communities and protected or significant species. As part of our strategy to deliver shared value, we seek to make an aggregated net positive contribution to biodiversity value by minimising our impact on ecological communities and protected or significant species, and designing communities to promote nature reserves and parklands.

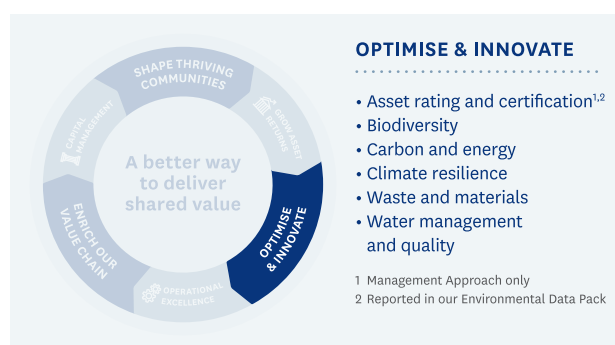
Preserving and restoring biodiversity on or around our sites enhances the liveability and vitality of our communities over the long term. Our Liveability Index survey results tell us that our residential customers value green space and a connection to nature. Therefore, making a positive contribution to biodiversity improves customer satisfaction with our business and assists us to create sustainable, thriving communities.

In Australia, sites of international and national importance are generally conserved within our reserve systems. Where this is not the case, biodiversity is heavily regulated by Australia's three tiers of government, further underscoring the importance placed on biodiversity by the general public. Actions focused on minimising biodiversity thus mitigate compliance risks and facilitate productive conversations with government authorities about how our developments can maintain or enhance biodiversity value.



For more information on our approach to managing biodiversity see our **Biodiversity Deep Dive**.

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/>)

B. Management approach

B.1 Overview

Overarching objectives for our management approach to biodiversity are to:

- minimise our impact on ecological communities and protected or significant species
- design communities to promote nature reserves and parkland

B.2 Understanding biodiversity value and impact

Our developments can maintain or enhance biodiversity value through conservation, investment, secure ownership, and ongoing management, especially when compared with the existing state of many pre-development sites. These sites are often degraded habitat, facing continued impacts from threatening processes. They are also usually in private ownership with no certainty over conservation outcomes. When we develop the site, in some cases we will retain the majority of biodiversity, and where land is cleared, conservation in perpetuity of remaining biodiversity or biodiversity off-site provides certainty for ecological communities and species.

We use a biodiversity calculator to assess the change in biodiversity value of our projects based on an initial pre-development value at a site. We developed the biodiversity calculator in FY15 to quantify the impacts of our projects and measure whether we are delivering a positive contribution to biodiversity. The biodiversity calculator assesses pre-and post-development conditions to understand how development activities, rehabilitation achievements, and conservation plans positively or negatively impact on biodiversity values. The calculator uses information on land areas, vegetation types, and other attributes available in development planning documents.

The calculator's assessment of biodiversity value considers state and Commonwealth-listed threatened species, size and condition of the assets, likely impact, and agreed offsets. In developing the calculator, we built on established methods used by the Green Building Council of Australia to measure changes in ecological value.

B.3 Biodiversity management approaches

We will generally apply the mitigation hierarchy through our assessment and consideration of design and management options. The mitigation hierarchy includes 1) avoid impacts, 2) minimise impacts, 3) restore cleared or degraded areas, and finally 4) offset impacts to our projects where significant biodiversity is identified. We will implement a range of programs to mitigate negative impacts and deliver a positive overall contribution to biodiversity. These may include rehabilitation programs, on- and off-site conservation, the provision of research funding, and the reversal of impacts associated with historical uses such as grazing. The company has a commitment not to operate in World Heritage areas and IUCN Category I-IV protected areas.

Factors that influence biodiversity impacts and management options vary across our development sites, and include:

- **nature of the biodiversity affected** – including the type of habitat, community or species, the size and quality of the habitat and the viability of bushland, waterway and open space corridors adjacent to our site.
- **planning and design** – urban design considerations such as access routes, the location of town centres, public open space public transport options (both proposed and existing), and the required lot size and quantity to enhance viability and liveability of the development. These decisions can impact the location of infrastructure and housing and therefore biodiversity conservation on a project site.
- **ongoing management** – ownership opportunities and responsibilities beyond the development phase of the project. It is important that if decisions are made to protect long-term biodiversity in urban areas, appropriate ownership models are agreed, such as public ownership by a local council or state governments, private ownership options such as Biobanking, planning instrument protection such as environmental protection zones, and best practice management considerations such as weed removal, appropriate fire regimes and feral animal control.

Minimum performance standards are included in our Residential Sustainability Policy, which helps our communities and assets move beyond minimum standards that may vary according to local regulations.

We use a range of mechanisms to protect land containing biodiversity including:

- the creation of parks and dedicated conservation reserves;
- the preparation of Biodiversity Management Plans;
- covenants on titles where areas of significant ecological value are located on allotments;
- conservation zoning and transfer of land to Councils and/or public authorities; and
- private ownership and management agreements including conservation covenants or **Biobanking** (in New South Wales).

Threatened species with habitat affected by our activities are considered as part of the environmental approval process on each development. In many cases, we are able to conserve local biodiversity and place most or all of the significant species found on our sites into protected areas. These are then integrated into the protected area estates managed by local or state-level agencies, which are then available to the community and managed for conservation in perpetuity.

We engage construction contractors on the basis that they deliver on biodiversity objectives, including any actions stipulated in project approval conditions. Contractors are managed through regular site meetings and reporting to facilitate compliance with biodiversity conditions.

B.4 Biodiversity management plans

Biodiversity management actions, including any actions stipulated as part of a development approval from any level of government, are integrated into development plans for each site.

Projects with significant biodiversity are required to prepare a biodiversity management plan (BMP), which identifies areas of biodiversity to be conserved or offsets to be provided. It also provides details relating to the rehabilitation or revegetation and protection of biodiversity and the provision of funding to enable appropriate management of protected areas over the long term. The timing of the BMP development relates to the conservation objectives specific to that site, noting that this can occur at any stage throughout the development life cycle.

We partner with environmental or community groups to deliver activities committed to in the BMPs, such as tree planting, weeding and education programs.

C. Review and evaluation of the management approach

Our goal is to better understand biodiversity in the locations where we operate, and to implement protection, management and enhancement initiatives as appropriate. We set targets to guide our actions at three-year intervals.

We review and evaluate our performance against our biodiversity targets as part of our annual **Biodiversity Deep Dive**. In this reporting, we include:

- a status update and progress against our short, medium and long-term targets;
- detailed commentary on priority actions that contributed 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.

We collect data and other reporting content associated with biodiversity from project teams through an annual data collection process. The information collected generally relates to progress against biodiversity management objectives, with the exact themes varying depending on the project's stage in the development life cycle. For example, at the masterplan completion stage projects report on expected impacts and management planning. During construction, reporting moves to focus on delivery of management actions.

D. Responsibilities

Roles and responsibilities associated with our management approach to biodiversity are described in the table below.

Role	Responsibilities
Board Sustainability Committee	Oversight of biodiversity approach, targets and performance tracking
Chief Financial Officer	Responsibility for biodiversity approach and initiatives Reports directly to Managing Director and CEO
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Delivery of biodiversity strategy outcomes within their respective business units
Executive Committee	Supports delivery of our biodiversity objectives
National Manager – Group Sustainability	Effective implementation and evaluation of our biodiversity approach
National Sustainability Managers	Guide asset teams in effective delivery of biodiversity initiatives
Development Managers and Project Managers	Effective management of biodiversity at a project level

E. Version control

Revision	Published	Owner	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	–
2	August 2019	National Manager – Group Sustainability	–
3	April 2020	National Manager – Group Sustainability	–

Our Management Approach to Carbon and Energy

A. Purpose

We have a long-standing commitment to manage climate change risk, and this document sets out our approach to mitigating climate change by managing energy use and reducing carbon emissions. It should be read in conjunction with our annual **Carbon and Energy Deep Dive** and our **Climate Resilience Deep Dive** (available on our [website](#)), where we report on progress against climate and community resilience 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**.

We recognise our capacity to enhance the energy efficiency of our assets and have taken a proactive approach to developing efficiency strategies that have generated value for our business while reducing our carbon emissions intensity.

The increasing cost of energy, particularly electricity, poses a challenge for the property industry and for all Australians. As electricity is an increasing proportion of our assets' operating expenditure, improvements in energy efficiency enable us to reduce cost and improve our operational efficiency. Integrating energy efficiency considerations into the design and construction of our assets can also help to reduce the energy requirements (and electricity costs) of our tenants and residents.

The increasing cost of power also means that renewable energy options such as solar have become cost-effective choices for our energy supply. The declining cost of solar infrastructure works in tandem with the increasing cost of conventional energy to make solar installations a sound business investment. We look to design and technology innovation and access to alternative energy supplies and product offerings to help our customers and us realise a cost-efficient, zero carbon future.

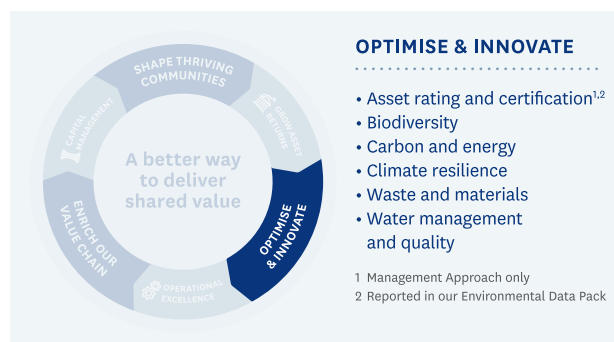
We are a signatory to the World Green Building Council's Net Zero Building Commitment, and have committed to a Net Zero 2030 future for our Retirement Living, Logistics and Corporate Head Offices.

Our management approach to carbon and energy recognises our capacity to both mitigate risks and take advantage of opportunities resulting from climate change.



For more information on our approach to managing climate risks and opportunities, including our alignment with the Task Force on Climate-related Financial Disclosures recommendations, please refer to our annual **Carbon and Energy Deep Dive** and **Our Management Approach to Climate Resilience**.

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/>)

B. Management approach

B.1 Overview

To complement our Group sustainability strategy, in 2006 we developed a Climate Change Action Plan to guide and integrate efforts across our business units. Our Climate Change Action Plan is regularly reviewed and refreshed to maintain our leadership in this space. The Climate Change Action Plan informs our approach in five key areas:

- monitoring emissions and energy use and streamlining reporting;
- reducing emissions through both direct control and influence;
- adapting to potential climate risks through research assessment and response (covered in detail in **Our Management Approach to Climate Resilience**);
- integrating innovative solutions into operations and development projects with suppliers (covered in detail in **Our Management Approach to Supply Chain**); and
- effectively communicating our position and performance.

This document sets out the targets that guide our carbon and energy initiatives and describes two key areas that focus our approach: energy efficiency and alternative energy.

B.2 Energy efficiency

Our Group-wide focus on energy efficiency manifests differently across our Commercial Property and Communities business units. The approach also varies depending on different stages in a project's life cycle. Each business unit has its own specific sustainability policy. This outlines strategic initiatives, performance standards and specific requirements relating to energy efficiency and climate change mitigation to be considered in the design, construction and operation of projects and assets.

To effectively manage our energy efficiency performance, we employ evidence-based decision-making tools and certification. We use the CCAP Precinct data management system (explained in greater detail below) to assess and prioritise the energy initiatives that deliver the greatest emission reduction outcomes for the lowest cost in our Communities business. Within Commercial Property, we review projects at a project level against our financial hurdles.

We concentrate our energy and emissions reduction efforts where we can specify the built form, set reduction targets and performance standards. This applies largely in our Commercial Property business and increasingly in our Retirement Living portfolio.

Design

We use the Green Building Council of Australia (GBCA) Green Star rating tools to support the design and delivery of energy efficiency initiatives across our portfolio and to set a platform for optimal performance.

All new Retail Town Centre, Workplace and Retirement Living developments are required to achieve a minimum 4 Star Green Star certified rating, with a strong focus on energy efficiency. Retail Town Centre and Workplace redevelopments or extensions greater than 8,000 square metres are also required to achieve a minimum 4 Star Green Star rating, with a review of opportunities to stretch to 5 Stars. We target energy credits for greenhouse gas emissions, energy sub-metering and car park ventilation, and management credits for commissioning and building tuning. By committing to these minimum standards, we prioritise measures into design specifications that enhance operational efficiency.

For our new Workplace developments, we enter into a NABERS Commitment Agreement that sets a clear target for achieving a NABERS outcome. Early commitment in the schematic design stage allows the project design team to follow a protocol for modelling energy performance in operation and having this independently reviewed and optimised. Once only available for office developments, there are now protocols available to enter into Commitment Agreements for shopping centres, which will provide greater certainty on outcomes for our Retail Town Centre developments.

Within our built form product we have implemented minimum standards to help drive increases in energy and water efficiency. We use the Kinesis CCAP Precinct tool to support new project bids. CCAP Precinct is a leading industry recognised masterplan modelling tool that benchmarks projects against regional averages and helps us to establish built form targets against minimum building code requirements. The tool can be applied to masterplanned communities as well as smaller scale built form developments, such as retirement villages and apartments. Modelled outputs include estimated energy consumption and carbon emissions, water consumption, transport and associated cost estimates.

In our residential communities, where our customers generally select their own builders, we use masterplanning expertise to ensure residents can take advantage of passive design benefits such as orientation. We share best practice across projects in our internal knowledge base, Better Places Hub. We also seek to influence design choices through display homes and community hubs that feature sustainable design elements and tools to make homes more efficient. Since 2012 we have also used covenant requirements, such as our cool roof covenant, which applies to homes across our new Sunshine Coast projects. We have found that the benefits of cool roofs, including improved thermal performance, reduced heating and cooling costs and reduced urban heat island effect, come at no additional cost to build. In Victoria, we have partnered with the Victorian Government to build two Zero Net Carbon Homes in our residential communities to showcase the benefits of low carbon living.

Development

Civil works on residential development projects constitute a major source of our emissions. Civil works contractors fall inside our operational control boundary, as defined by the National Greenhouse and Energy Reporting Act 2007 (NGER Act). Our civil contractors use heavy equipment to move large volumes of spoil across sites to achieve development and landscape levels. We work with our contractors to develop a bulk earthworks strategy for our sites with the aim of minimising vehicle movements on and off-site and around the site, which reduces emissions. As part of developing the bulk earthworks strategy, we also look across projects within a region and seek to understand where we have excess spoil and whether spoil can be diverted to another site to minimise the amount of soil that needs to be brought onto a project. This approach saves money, reduces our need for fill from distant sources, reduces the amount of earthworks required, and reduces the carbon emissions associated with the development.

Development activity in our Commercial Property business is not within our operational control boundary, as ultimate control of our Commercial Property developments lies with our principal contractors. As such, emissions from these developments are not captured in our annual reporting; however, we work with our contractors to identify and implement energy efficiency improvements. We continue to investigate methodologies to enable effective, meaningful and accurate intensity calculations in our Communities developments, as varied approaches across projects compromise consistent measurement.

Our design guidelines for our Retirement Living developments encourage reductions in energy use and emissions through maximising solar orientation, installation of energy efficient appliances, light fittings, hot water systems, LED and sensor activated lighting systems, and consideration of onsite renewable power generation (solar power). Our developments target Green Star ratings that have minimum energy performance criteria.

Operations

In Commercial Property, we undertake NABERS Energy ratings to benchmark the performance of our assets against industry standards and to measure the effectiveness of the initiatives implemented. In Workplace and Business Parks, we complete NABERS ratings annually on all eligible assets within the portfolio. In Retail Town Centres, we complete NABERS ratings across eligible assets within the portfolio annually, with coverage increasing over the past five years.

We invest in energy sub-metering systems to monitor energy consumption in our Workplace, Business Parks and Retail Town Centre assets. Energy sub-metering is a key tool for us to manage consumption and is critical to our ability to achieve our targets. Using consultant partners, we monitor and analyse sub-metering data to provide useful information and insights to our operations management teams on where we need to target any efforts to reduce energy consumption.

Our approach to achieving carbon and energy objectives in our residential communities is primarily through influencing design and associated infrastructure, however we also work with local councils, state government and industry partners to deliver programs and initiatives within our communities on benefits of energy efficient practices and behaviours among residents

We have a greater level of control over energy outcomes in medium density, completed homes, and apartment products. In these instances, we embed initiatives into the homes that align with our carbon and energy targets and model the performance of the homes over time.

In our Retirement Living portfolio, we have operational control of our clubhouses and common areas. We have completed several night audits at select villages as well as monitoring energy and water usage at selected clubhouse and common areas. The insights from these reviews are helping us to target sustainability projects within our portfolio, including energy efficiency upgrades.

B.3 Alternative energy

Our approach to alternative energy is focused predominantly on solar photovoltaics (PV) in our Commercial Property portfolio, though we have explored the use of wind and tri-generation at certain assets. We have been at the forefront of solar PV investment in the Australian property industry, having set up the then largest solar PV rooftop installation at Stockland Shellharbour in 2015 and commencing an industry-leading rollout of 16 MW solar PV capacity across 15 of our retail town centres in 2017 and 1MW of solar PV capacity across four logistics assets. We actively assess the most appropriate locations to roll out solar across the portfolio and focus on alternative energy initiatives that meet our return on investment hurdle.

We have solar PV installations on a large proportion of our retirement living homes. We continue to review different network ownership and management models to understand how solar PV can be adopted in our residential communities on a large scale. We also focus on building embedded energy networks across our retail town centres and retirement living communities. This enables larger installations to meet both base building and tenancy energy requirements, and enables us to reduce the cost of electricity for our tenants and gain visibility of asset-wide energy consumption data. We then identify further emission reduction opportunities and work collaboratively with our tenants to further reduce their energy costs in the future.

Similarly, for our residential communities, we look to raise awareness on the benefits of solar power through educational collateral and industry partnerships. This encourages the uptake of solar power as a means to help reduce ongoing electricity bills and dependence on grid-supplied power. In some instances, when we have needed to establish an onsite sales and information centre prior to services and infrastructure being available, we have piloted off-grid installations using solar and battery storage solutions as an alternative to fossil fuel powered generators for electricity.

C. Review and evaluation of the management approach

We set targets and commitments to guide our approach to managing energy use and reducing carbon emissions.

We review and report on our progress against our carbon and energy commitments and targets as part of our annual **Carbon and Energy 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 contributed 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.

To evaluate the effectiveness of the management approach, we have a number of tools and checkpoints in place that allow ongoing, progressive energy performance tracking and review. Setting targets for performance and using rating tools in design and operation facilitates comparisons with benchmarks that can be tracked over time. With the assistance of sub-metering and monitoring, data capture and management systems, we can readily check our progress against targets and identify areas of divergence that may require focused attention.

We review the effectiveness of our approach to operational energy efficiency by preparing an energy efficiency evaluation for our Retail Town Centre assets. This considers the key financial metrics relating to energy efficiency and alternative energy investments, including the centre's capital expenditure investment, gross actual savings, gross return on investment (savings/capex) and net return on investment (savings/capex). This evaluation enables us to compare the actual project outcomes to those proposed and to use these findings to inform future investment decisions.

In addition to our annual sustainability reporting, we prepare regular reports of our progress to senior leadership teams and to our Board as a means of constantly reviewing our performance and providing opportunities for timely adjustments to the management approach if required. We also report our greenhouse gas emissions, energy production and energy consumption to the Australian Government annually, consistent with the requirements of the *National Greenhouse and Energy Reporting Act 2007*.

We engage with industry bodies such as GBCA, Property Council of Australia and other external stakeholders, to stay informed of current trends, material issues and industry benchmarks. We also regularly assess our performance against that of our peers.

D. Responsibilities

Roles and responsibilities associated with delivering our approach to carbon and energy are described in the table below.

Role	Responsibilities
Board Sustainability Committee	Oversight of strategic approach to managing energy use and reducing our emissions, including targets and performance tracking
Chief Financial Officer (CFO)	Responsibility at a Group level for our strategic approach to managing energy use and reducing our emissions, including targets and performance tracking Reports directly to Managing Director and CEO
Executive Committee	Supports delivery of our energy and emissions reduction strategy
National Manager – Group Sustainability	Strategic identification and evaluation of emissions reduction and alternate energy initiatives across our diverse portfolio of assets
Development Managers and Asset Managers	Effective management of energy and emissions at project and asset level
Managing Director and CEO, CFO, business unit CEOs, Development Managers, Asset Managers, functional staff	Meet key performance indicators relating to strategic energy and emissions reduction targets

E. Version control

Revision	Published	Owner	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	–
2	August 2019	National Manager – Group Sustainability	–
3	April 2020	National Manager – Group Sustainability	

Our Management Approach to Climate Resilience

A. Purpose

This document sets out our approach to identifying, assessing and managing risks to and opportunities for our business resulting from climate change. It should be read in conjunction with our annual **Climate Resilience Deep Dive** (available on our [website](#)). 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**.

We have a long-standing commitment to manage climate change risk and reduce our carbon emissions. Climate change presents risks and opportunities for our business and we are committed to identifying, assessing, and managing these to support the resilience of our business and assets as well as our communities. Climate resilience refers to the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate. Improving climate resilience involves assessing how climate change will create new, or alter current, climate-related risks, and taking steps to better cope with these risks.²

- Transition risks - risks or opportunities associated with the transition to a low-carbon economy. We acknowledge that Australia and nearly 200 other nations have agreed to the objective of limiting global warming to below 2°C (the Paris Agreement).³ While changes associated with the transition to a low-carbon economy present risks across most industries, they also create substantial opportunities for organisations focused on climate change mitigation and adaptation solutions. **Our Management Approach to Carbon and Energy** provides more information on how we leverage these opportunities through energy efficiency and renewable energy.

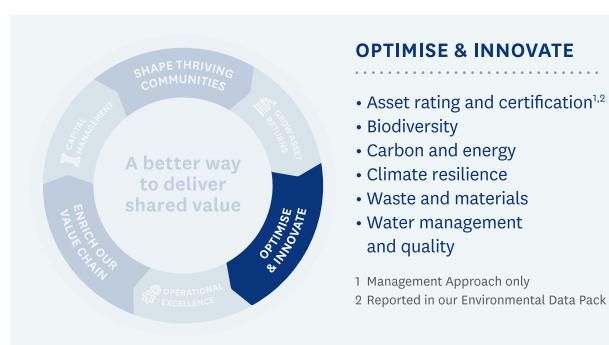
- Physical risks - risks or opportunities associated with physical impacts from changes to climatic conditions, including extreme events. We are already experiencing the physical impacts of climate change in the form of gradual changes to climate conditions and an increased frequency and severity of extreme weather events, including bushfires. Extreme weather and other climate-related events have the potential to damage our assets, disrupt operations and impact the health and wellbeing of our customers and communities. For the benefit of our stakeholders, and society more broadly, we are committed to creating climate-resilient assets that operate with minimal disruption, as well as building strong communities that are equipped to adapt to climate change risks and opportunities.

At Stockland we recognise there are also climate-related social risks and opportunities. We have developed a community resilience assessment methodology and have been undertaking community resilience assessments since FY16.



For more information on our approach to Climate Resilience see our annual **Climate Resilience Deep Dive**.

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 Climate Resilience Portal, Centre for Climate and Energy Solutions, <https://www.c2es.org/content/climate-resilience-overview/>

³ The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C (<https://bigpicture.unfccc.int/#content-the-paris-agreement>)

B. Management approach

B1. Overview

We developed a Climate Change Action Plan in 2006 and a Climate Adaptation Strategy in 2011 to identify, mitigate and adapt to the perceived risks of climate change. This management approach document focuses on the key priorities within our Climate Change Action Plan to research, assess, and adapt to risks associated with climate change. Our priorities to reduce our emissions and integrate innovative climate change solutions into our projects are described in **Our Management Approach to Carbon and Energy** and **Our Management Approach to Supply Chain**.

Our response to the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in our **Annual Report** provides details on how our governance and risk management frameworks address climate change.

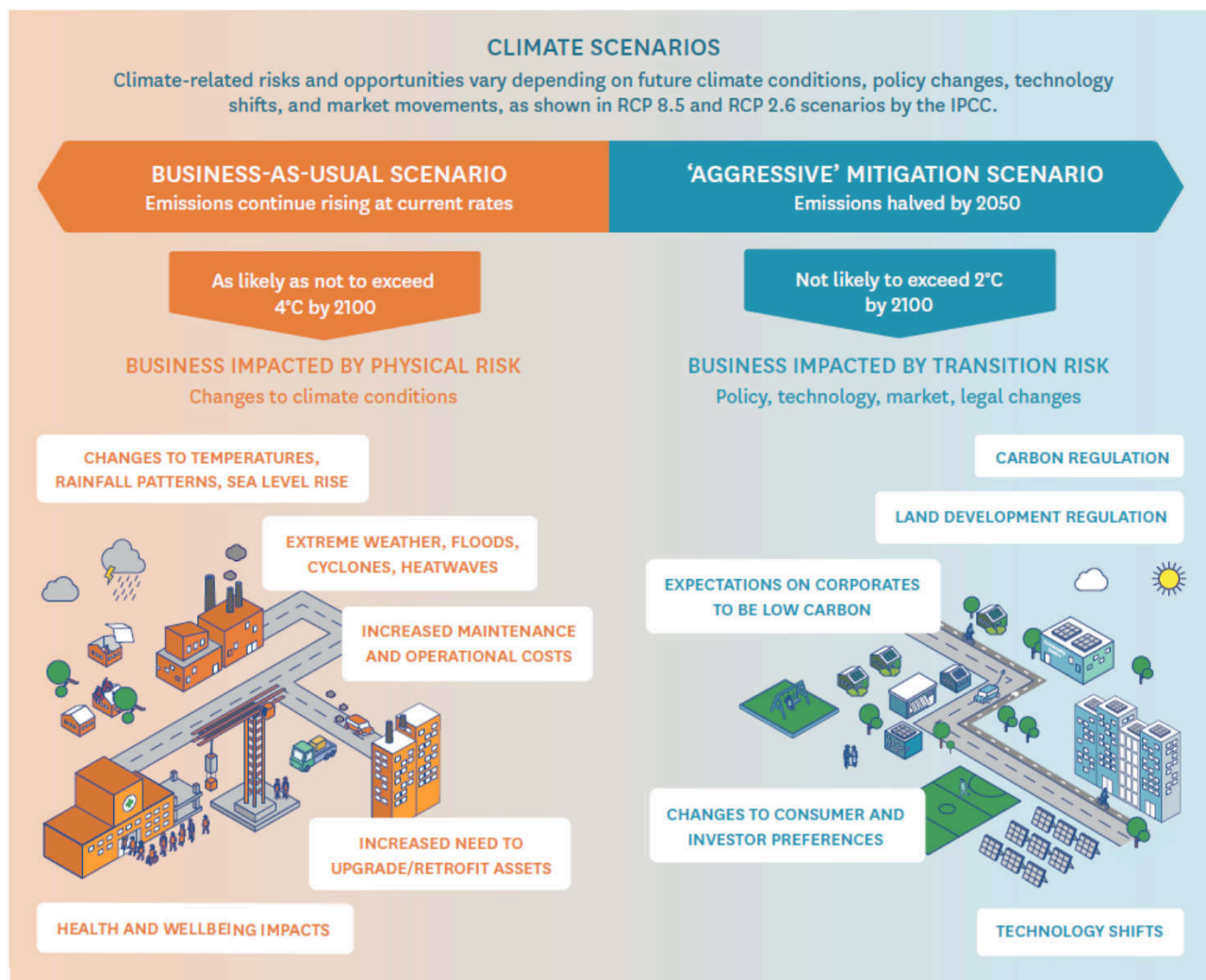
B2. Identifying and assessing climate-related risks and opportunities

The first step in managing climate resilience is to identify key climate-related risks and opportunities. For over a decade, we have identified risks and opportunities related to both the physical impacts of climate change and a global transition to lower-carbon energy sources. Our response to these risks and opportunities has been guided by our Climate Change Action Plan (commenced in 2006) and our detailed Climate Adaptation Strategy (commenced in 2011).

Climate-related risks will persist for the foreseeable future and the nature of these risks depends on complex factors such as policy change, technology development and market forces. To accommodate this uncertainty, we incorporate scenario analysis into our climate risk assessment process to understand how climate-related risks and opportunities may evolve and impact the business over time. Scenario analysis is a well-established method for enhancing resilience to a range of future conditions and is a key recommendation of the TCFD.

We use the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) scenarios to explore both physical and transition risk. The nature of climate-related risk changes according to varied assumptions about future policy, technology, and climate changes incorporated into each IPCC RCP scenario.

In the business-as-usual scenario where emissions continue rising at current rates (known as RCP 8.5), business is exposed to increasing levels of physical risk from changing climatic conditions. In the 'aggressive' mitigation scenario where global emissions are halved by 2050 (known as RCP 2.6), business would experience less risk from changing climatic conditions, yet would be exposed to transition risks related to policy change.



Physical Risks

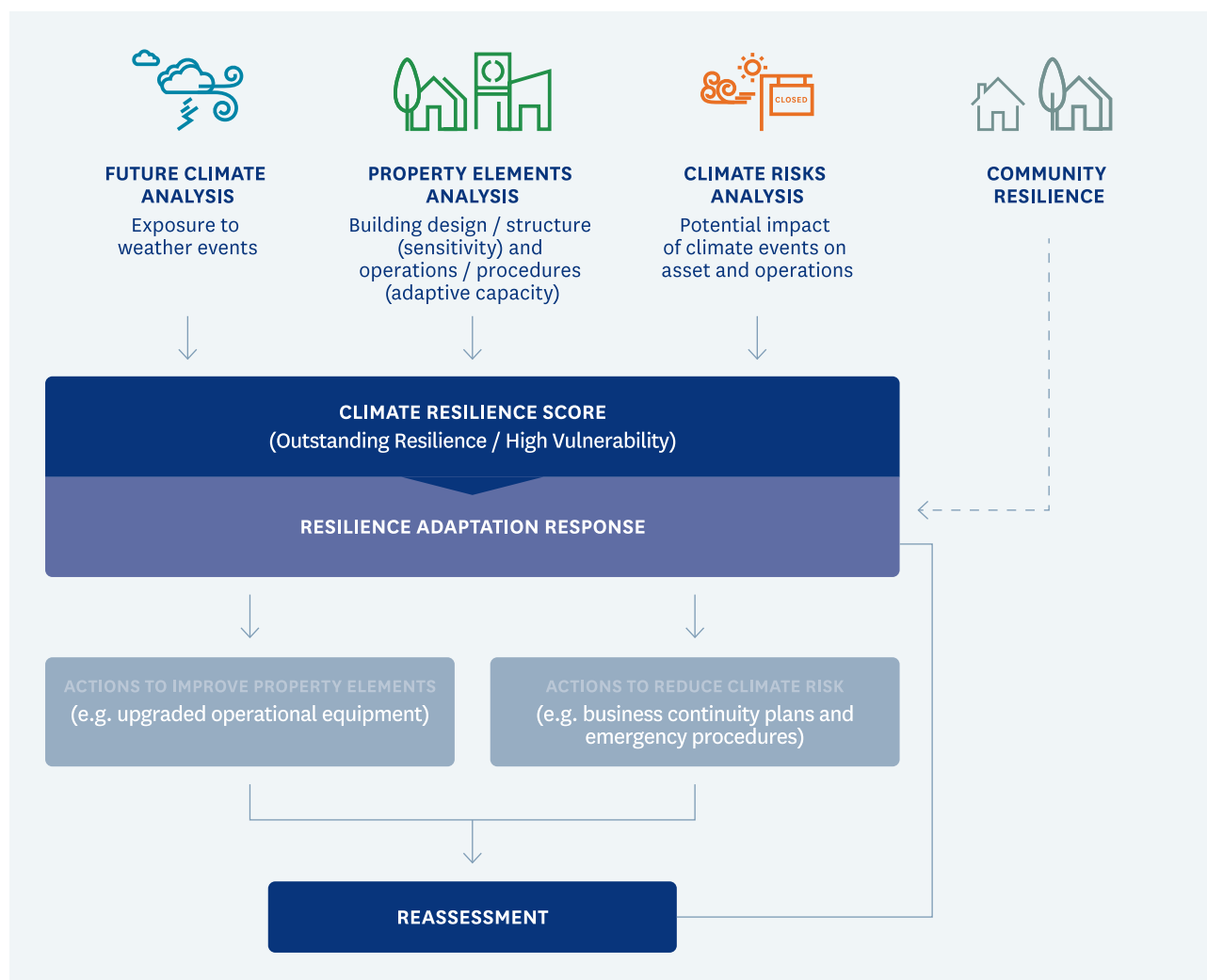
We acknowledge that physical risks associated with climate change can result in negative financial impacts, such as through increased maintenance costs or decreased revenues from disrupted operations. In recognition of these potential impacts, we are committed to creating climate-resilient assets and communities with a greater ability to endure severe weather impacts and operate with minimal disruption.

In 2012 we developed a climate resilience assessment methodology that sets out the criteria to assess the resilience of individual properties and their communities across all types of properties within Stockland's portfolio. This methodology was reviewed and updated in 2020. We conduct a national mapping exercise based on the projected changes to climate variables in order to identify the level of exposure for all assets in our portfolio (including those under development) and we prioritise assets for further assessment based on their level of exposure. Our climate resilience assessment methodology focuses on the vulnerability of an asset to climate change, particularly its ability to endure severe weather impacts and operate without disruption. As outlined in the figure below, the methodology defines key resilience criteria, with a particular focus on location and design, structure, operation and maintenance, utilities and services, and stakeholders. These attributes are assessed for their exposure to:

- future climate effects - the degree of exposure a building has to weather events based on its geographic location, such as North Queensland where there is a high exposure to cyclones;
- property elements - the physical and operational attributes of a building that make it vulnerable or resilient to those climate effects, such as condition of box gutters expected to cope with high volumes of stormwater; and
- climate risks - the potential impacts of weather related events on a building based on its location and attributes, such as loss of trade due to local flooding or air conditioning failure on hot days.

The assessments of each component are combined to provide an overall climate resilience score on a scale from 1 to 25, from outstanding resilience to high vulnerability. We then develop resilience action plans that integrate resilience-building initiatives into asset management plans, with a view to improving the resilience of the assets over time by minimising negative impacts and creating opportunities, including reduced maintenance, reduced insurance premiums and increased revenues from increasing consumer preferences for climate-resilient products.

Climate Resilience Assessment Methodology



Physical risk assessment tool

In 2019 we developed a Group Resilience Assessment Tool that centralised all existing assessments on individual properties in order to help us to understand physical climate risk at a portfolio level. This tool aligns our climate resilience assessment with the Stockland Enterprise Risk Framework. This tool will provide results that are comparable to and can be benchmarked across Stockland's assets and portfolios in a centralised system. The tool enables Stockland staff to monitor and evaluate adaptation actions over time.

Transition Risks

Carbon emissions regulation and climate-related land development regulation are examples of transition risks that may impact our business through the pricing of energy required to develop and operate our assets. We use scenario analysis to explore how transition risks may evolve over time, leveraging publicly available scenarios published by the IPCC and the Deep Decarbonisation Pathways Project. Each scenario includes transition risks and opportunities that fall into four categories:

- **policy and legal** issues that lead to financial impacts through taxes or subsidies, through mandating capital improvements that require additional investment, or through increased liability risk
- **technology** issues that lead to financial impacts through changes to how we procure and use energy in development, operations, and transport
- **market** considerations that lead to financial impacts through changes to consumer preferences and prices of goods and services
- **reputational** issues that lead to financial impacts through affecting stakeholder willingness to transact or partner with us.

Each of these scenarios offers a unique vision of how policies, technologies and economic outcomes evolve through 2050 as the world pursues the objective of limiting global warming to 2°C.

B3. Key categories of climate-related risks and opportunities

The table below describes key categories of climate-related risks and opportunities that we have identified for our business.

Climate-related risks	Positive financial impact potential	Negative impact on Stockland
Acute physical risks including heatwaves, cyclones, floods and bushfires.	Resilient assets that can withstand acute physical risks, promote business continuity, attract tenants/customers and receive insurance benefits	Increased expenditure on repairs, loss of business continuity and potentially higher insurance premiums.
Chronic physical risks including increases to mean temperatures, long-term changes to rainfall patterns and sea level rise.	Designing and constructing 'future-proof' assets and communities that accommodate future climate changes and thus prevent the need for expensive retrofits. Integrating climate risk into the due diligence process for acquisitions to minimise the risk of acquiring land or assets that may become impaired in the future.	Expenditure required to upgrade facilities to cope with changed climatic conditions (e.g. early upgrades of air conditioning units to manage rising temperatures). Lost revenue associated with the inability to develop on land that we own because of flooding or sea level rise concerns.
Policy-related transition risks including carbon pricing, incentives for low/zero carbon energy production, land development regulations and changes to building standards.	On-site generation and sale of low/zero carbon energy, from proactively upgrading assets to enhance efficiency and avoid cost increases. Proactively assessing the resilience of land that we own and acquire to maximise development opportunities into the future.	Increased development and operational costs associated with enhanced building standards. Lost revenue associated with regulation that limits the development capacity of land that we own.
Legal transition risks including liability surrounding climate risk disclosure and changes to insurability of assets.	Efficiency and resilience initiatives that reduce our insurance costs. Enhanced climate risk disclosure that minimises likelihood of fines and judgements against us.	Inadequate disclosure of climate-related risks. Inability to insure our assets.
Technology-related transition risks including decarbonisation of Australia's National Electricity Market, electrification, advances in battery storage, and energy efficiency.	Opportunity to leverage technological advances to reduce costs through energy efficiency and renewable energy, and to more readily meet climate-related regulatory requirements.	Increased investment required in low-carbon technology. If technological disruption leads to energy pricing variability, difficulty in planning capital expenditure, and/or a need to upgrade our assets in a short time frame.
Market-related transition risks including investors and lending institutions favouring low-carbon investments and consumers demanding low-carbon products.	Our continued leadership in climate risk management, in the form of enhanced revenues from customers who prefer low-carbon products. Enhanced capacity to attract investment from investors favouring companies with strong climate risk management.	Reduced attractiveness of our assets and our business from an investment perspective if we fail to manage climate risk appropriately.
Reputational transition risks including failing to attract funding, employees, and project approvals because of a perceived lack of action on climate change.	Continued leadership in energy efficiency, renewable energy, and climate resilience; for example, increased revenues if we can remain a preferred development partner for governments interested in low-carbon solutions. Decreased costs associated with lower employee turnover because employees feel their work is contributing to the low-carbon transition.	Reputation risk due to a perception that we are not contributing to the low-carbon transition as much as our peers and competitors. Reduced revenues if customers prefer competitor products, or increased hiring costs as prospective employees prefer to work for peers.

B4. Managing climate-related risks and opportunities

Physical risk management

Given the potential for climate-related physical risks to damage assets and bring about potential losses, we have included these risks and the potential financial implications in our enterprise risk framework. We implement initiatives that improve the resilience of our assets, and thereby reduce the risk of business disruption to our customers and residents. Improving resilience also mitigates potential future costs associated with maintenance, upgrade and emergency response initiatives. This contributes to our competitive position as a leading creator of places that meet the needs of our customers

Managing physical risks identified during resilience assessments

Physical risks and opportunities identified within our climate and community resilience assessments are prioritised for action based on:

- impact on communities and the environment in which the asset is operating
- overall potential impact on asset performance
- financial impact to the business in managing the risk or opportunity.

Across our portfolio, physical risks and opportunities are prioritised for action based on:

- geographical areas of highest risk
- lessons learned and perceived likelihood of significant loss
- impact on local communities and environment (relative to where we operate)
- design attributes of the asset that affect climate resilience
- climate change scenarios for the medium and long term
- overall impact on business-wide emissions reductions, and
- overall risk to portfolio value and revenue.

Recommendations for minimising impacts of physical risks may include the implementation of operational responses, maintenance regimes, emergency response plans and community development programs that focus on improving the health and wellbeing of our communities. Key recommendations identified during the risk management process are included in a resilience action plan that is integrated with annual sustainability and asset/business planning processes.

While we acknowledge that managing climate change risk can involve additional costs, management of climate risks is an opportunity to develop resilient, future-proof assets. Our approach to physical risk and investment in the resilience of our assets has been acknowledged by our insurers through a reduction in our premiums at certain locations.

Asset design and ongoing operations

Our project teams consider climate-related risks and opportunities in the design of our assets by including principles-based criteria in our design guidelines and minimum standards. We integrate the outcomes of our climate scenario analysis into the designs of our assets in development so that they consider how physical risks may impact stormwater drainage, roofing, and air conditioning systems, as well as how the asset can take advantage of low/zero carbon energy solutions.

We develop emergency management plans for all our assets and update them as required. In addition to using a traditional risk matrix for climate vulnerability, we also use an opportunities matrix to identify the value of discretionary climate resilience initiatives such as shade sails in our car parks and cool roof covenants in our Queensland residential projects such as North Shore and Aura. These initiatives are prioritised based on their ability to reduce the asset's vulnerability to physical risk.

Our climate resilience approach has been recognised by the Green Building Council of Australia's Green Star rating tools as meeting the aim of their Adaptation and Resilience credit. New Retail Town Centre, Workplace and Retirement Living developments implement our approach to climate and community resilience and aim for recognition as Green Star rated facilities.¹ For our residential communities rated under Green Star Communities, we have climate adaptation and resilience plans for project teams on how to create resilient communities throughout the life of the development.

¹ All new retail town centre and office developments must achieve a Green Star rating (as per our policy). Retail town centre extensions or redevelopment projects must achieve a Green Star rating where a project is larger than 8,000 m².

Transition risk management

Our Government Relations, Investor Relations, Group Risk, Group Legal and Sustainability teams keep the Executive Committee and Board informed on existing or emerging climate regulation that may impact on the business. In response to regulatory and market risks relating to energy supply and demand, Stockland is committed to promoting efficient operation of our assets and increasing our renewable energy capacity.

We participate in industry-wide collaborations (Property Council of Australia, Green Building Council of Australia, Australian Sustainable Built Environment Council, Investor Group on Climate Change) that focus on how the property industry can lead the transition to a low-carbon economy. Through these collaborations we have developed and published pathways and standards for how the built environment can reduce emissions and ultimately become zero carbon. **Our Management Approach to Carbon and Energy** describes how we manage risks associated with carbon emissions regulation through focusing on energy efficiency and renewable energy.

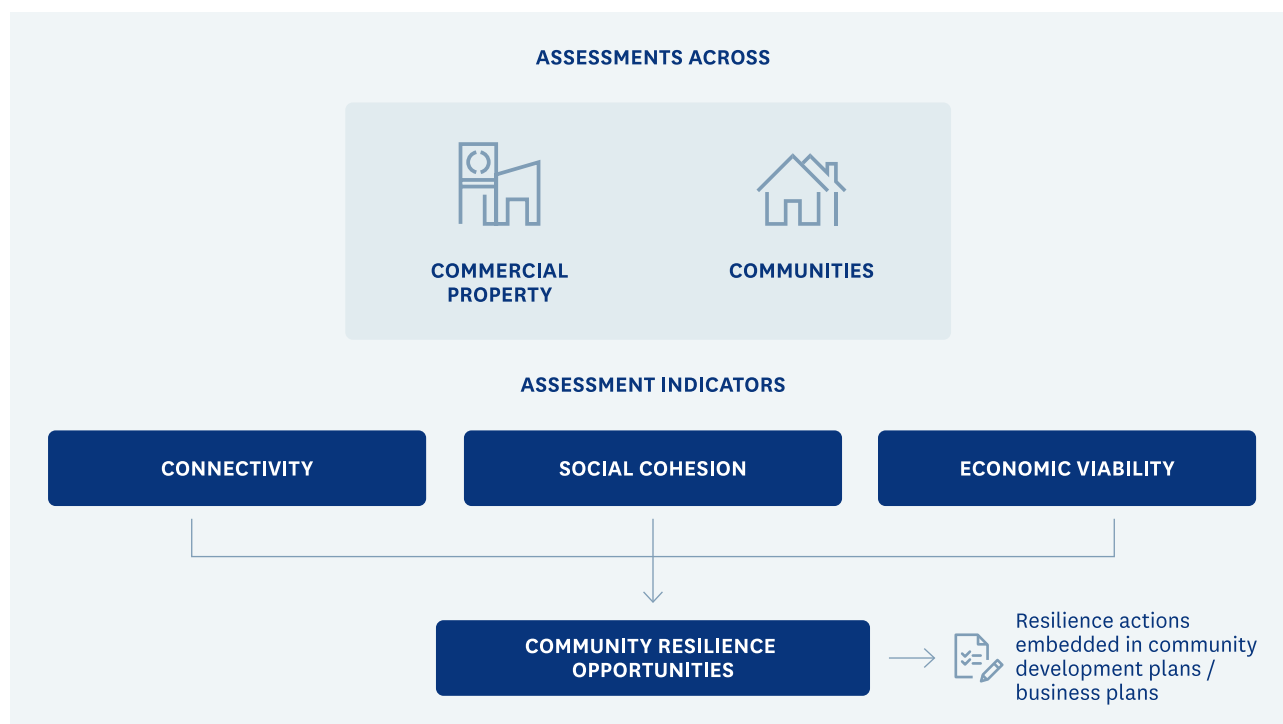
B5. Community resilience

Community resilience is integrated as part of our broader climate resilience approach that assesses known factors of community resilience such as social cohesion, economic viability and connectivity. The assessment process identifies how our community development planning can contribute to community resilience at our assets. Key components of the assessment include:

- measuring the resilience of the asset against key features of a resilient community
- identifying the features of the community that may or may not contribute towards being resilient
- informing areas of improvement for community resilience to be implemented as part of community development initiatives within the asset or development.

Assessing both climate and community resilience allows us to plan for the resilience of buildings and infrastructure as well as our residents' ability to respond to significant climatic events. Climate resilience assessments are undertaken on all Commercial and Communities developments seeking Green Star Communities and Green Star Design & As Built certifications.

Community Resilience Assessment Methodology



C. Review and evaluation of the management approach

We review and report on our progress against our climate resilience priorities and targets in our annual **Climate Resilience 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 contributed 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.

Across our Commercial Property business, we review climate resilience action plans to track progress on the implementation of initiatives following the initial assessment. Reassessment of the assets reviewed to date will be conducted over time to measure the improvements in resilience against the actions that were recommended at the time of the original assessment.

In our Communities business, we track and evaluate the implementation of recommendations in our asset-specific sustainability plans. This provides us with the ability to measure the success of the initiatives and articulate the value of undertaking the climate and community resilience assessments. Assets are prioritised for reassessment based on their status as high-risk assets and based on whether they have been subject to resilience investments.

D. Responsibilities

The table below describes key roles and responsibilities associated with our approach to climate and community resilience.

Role	Responsibilities
Board Sustainability Committee	Oversight of approach to climate resilience, including targets and performance tracking
Chief Financial Officer (CFO)	Responsibility for our approach to climate resilience at a Group level Reports directly to Managing Director and CEO
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Ultimate accountability for delivery of climate resilience within respective portfolios
Executive Committee	Supports the delivery of our climate resilience approach
National Manager – Group Sustainability	Effective implementation and evaluation of our approach to climate resilience
National Sustainability Managers	Guidance of asset teams in effective delivery of our sustainability policy and supporting toolkits
Development and Operations teams	Effective management of a climate resilience approach at the project and asset level through the implementation of identified resilience actions

E. Version control

Revision	Date	Owner(s)	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	
2	August 2019	National Manager – Group Sustainability	
3	March 2020	National Manager - Group Sustainability	

Our Management Approach to Waste and Materials

A. Purpose

This document sets out our approach to waste management and materials use across our business. It should be read in conjunction with our **Waste and Materials Deep Dive** (available on our [website](#)), where we report on progress against waste and materials 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**.

We acknowledge that the development and operation of buildings account for large quantities of waste and material usage, which we can manage to minimise negative impacts.

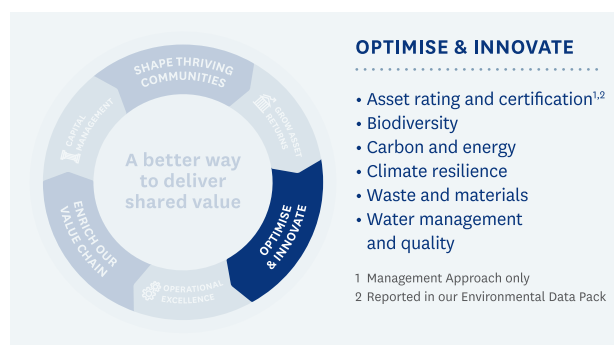
Waste treatment and disposal can have a major impact on the surrounding environment. Examples include nutrient pollution of groundwater and waterways, air quality issues from incineration, and greenhouse gas emissions from landfills. We take these impacts seriously and are committed to managing our waste efficiently. We seek to reduce, reuse and recycle our waste whenever feasible, minimising our contribution to landfill.

We equally acknowledge that the use of virgin materials can have significant impacts on environmental and human health. By specifying the use of ecologically and health preferable materials and recycled materials in our developments, we are able to deliver tangible environmental, social and business benefits.



For more information on our approach to waste management and materials use across our business see our **Waste and Materials Deep Dive**.

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/>)

B. Management approach

B1. Overview

Overarching objectives for our management approach to waste and materials are to:

- reduce, reuse and recycle waste in our developments and operations, minimising our contribution to landfill
- use ecologically-preferable materials.

The materials and equipment used within our assets have a significant bearing on the capital cost of our projects and on the operating cost and efficiency of the assets own and manage. We therefore endeavour to control aspects of the material supply chain by specifying minimum sustainability requirements wherever possible.

We have a national approach to waste management for each asset class under which waste is appropriately segregated, stored and disposed of in accordance with regulatory requirements. Waste and recycling management plans are prepared for each asset, both in operation and in construction, to successfully manage the environmental impacts associated with production and disposal of waste. The plans outline the waste and recycling systems employed at the asset for the disposal of waste produced during operation or in development.

Key objectives for the waste and recycling management plans are to:

- reduce the amount of general waste produced by office tenants, retailers, contractors and customers, and encourage greater levels of recycling
- implement management systems to measure, record and monitor waste and recycling at the asset
- continuously improve on these metrics and benchmark against other assets
- provide training and education for tenants, contractors and our employees promoting good waste management habits.

The waste management plan outlines how various waste streams should be managed including:

- communal waste areas and recycling points
- solid waste
- liquid waste
- waste water
- hazardous waste
- special waste (e.g. clinical, pharmaceutical, drug or medicine waste)
- construction and demolition waste.

In addition to general waste management, our sustainability guidelines for each business unit outline the minimum standards and requirements regarding to waste diversion. These guidelines also sets minimum requirements for asset performance and natural resource consumption during the life of the asset, which further minimises wastage.

B2. Development

Materials

Our sustainability guidelines and related standards guide materials selection in our development projects. We also use the Green Star Design & As Built rating tool, which covers materials selection such as timber, steel, concrete and PVC.

Materials-related credits within Green Star aim to improve the environmental impacts of building products and materials by taking into consideration issues pertaining to the lifespan, life cycle and end-use of these resources.¹ The Green Star Materials category consists of credits that facilitate and recognise the efficient use and management of building and fitout materials. Materials credits reward overall reductions to the amount of materials used, the reuse of building materials, the amount of waste materials sent to landfill and the specification of recycled and recyclable materials wherever possible.

All new Retail Town Centre, Workplace and Business Parks developments, as well as redevelopments exceeding 8,000 square metres, are required to achieve a minimum 4 Star Green Star Design & As Built rating with a review of opportunities to stretch to 5 Star. As part of our commitment to deliver projects with sustainable materials practices, our development contracts incorporate our Green Star materials selection requirements. We produce sustainability plans for development projects across all business units to set the design parameters for our engaged contractors. The sustainability plans form part of the tender documents and specify minimum material requirements to achieve the minimum Green Star rating. Contractors are required to submit their design to Green Building Council of Australia (GBCA) for a design rating assessment. We also engage directly with contractors regarding their adherence to sustainability plans throughout development. The contract specifications also include the sustainability plans and standards set in the business-specific sustainability guidelines. Upon project completion, the contractor is required to submit the project for a Green Star Design & As Built rating.

Materials selection and use across the business is governed by our Materials Schedule, which provides guidance to projects and suppliers in selecting materials in accordance with our sustainability policy. The materials schedule provides a consistent approach to materials selection and use across the business. The schedule is intended as an overview of the key requirements for projects to encourage environmentally responsible actions, and will assist projects to select materials that:

- avoid pollution

- are safe, and contribute to healthy environments for humans and ecosystems
- are responsibly sourced or have a sustainable supply chain
- are produced sustainably and transparently
- are recycled or reused
- have low embodied energy
- avoid resource depletion.

We have identified high-impact and common materials and issues for inclusion in this materials schedule, however we encourage project teams to also identify further sustainability initiatives during the materials selection process.

In addition to working with our suppliers in relation to development and construction work, we undertake comprehensive due diligence for all new real estate acquisitions including in relation to construction materials. We have been responsive to new and anticipated legislation relating to façade cladding on our existing asset portfolio and we continue to follow the state-based registration process and keep abreast of any legislative changes.

We encourage contractors to use and recycle materials wherever practical, however as we are not responsible for sourcing materials, we do not capture data related to the weight, value, volume, or recycled content level of materials used. Upon project completion, the contractor is required to submit this data to achieve a Green Star Design & As Built rating.

Waste management

Our development projects set minimum construction and demolition management requirements in line with Green Star requirements to encourage practices that reduce the environmental impact of waste.

Minimum standards for construction waste recycling are outlined in our development contracts and aligned to core Green Star commitments. Our standards align with Green Star commitments by targeting waste diversion as a minimum of 90 per cent of total waste generated or a bespoke target of waste diversion compared to a reference building. Given recycling rates can vary from project to project depending on the types of materials recovered during demolition or used during construction, we set targets on a project-by-project basis depending on the predicted mass of waste being generated.

For redevelopments under 8,000 square metres where we typically do not pursue a Green Star rating, we establish a Green Plan for the project that adopts a number of sustainability design initiatives and targets for the project based on Green Star criteria. We will set a minimum construction waste landfill diversion target of 80 per cent for these small projects.

¹ Green Star Design & As Built v1.2 Submission Guidelines

We require that contractors comply with all relevant environmental protection legislation including contamination and waste dumping. Contractors are required to provide a strategy during the tender process to outline how they will meet the minimum requirements, and during the construction period documentation is submitted to Stockland to validate their adherence to these standards. Our construction contracts in each of our business units require that an Environmental Management Plan (EMP) be developed by the relevant building contractor so that construction activities reflect the vision and design requirements and respond to policy and regulation appropriately. In addition, all of our contractors on projects seeking a Green Star rating with contracts over \$5 million (for Green Star Communities) or \$10 million (for Green Star Design & As Built) are required to have a valid ISO 14001 Environmental Management System accreditation prior to and throughout the duration of the project contract.

For our Commercial Property developments, we require the provision of suitable areas for tenant recycling facilities and encourage and support retailers undertaking a tenancy fitout in shopping centres to recycle as much of their construction waste as possible, as outlined in Stockland Tenancy and Delivery Guidelines. In our Retirement Living developments, we integrate recycling practices into the standard design guidelines for clubhouses and homes in all new developments.

We collect waste data from our Commercial Property and Communities development contractors to help us better understand volumes of waste from our sites that are sent to landfill and/or recycled. Ultimate waste disposal, including movements of hazardous waste and international shipments of waste, is controlled by contractors and thus not within the scope of material indicators included in our reporting.

B3. Operations

Materials

The most significant opportunity we have to influence the materials used in the operation of our business is in our Commercial Property business, most specifically our Retail Town Centre portfolio. We are constantly exploring opportunities to enhance the materials used in the operation of our retail town centres to improve efficiency, enhance performance and minimise impacts on the environment.

We also engage with our tenants to improve the sustainability of materials used in our portfolio. For workplace and retail town centre tenancy fitouts, we have specific guidelines for materials selection, set out in our Green Office Fitout Guide and the Retail Design and Fitout Guide. Our Workplace, Logistics and Retail Town Centre leases contain clauses that encourage tenants to implement fitouts in line with these guides.

Waste management

We set minimum waste recycling targets for the operation of our Commercial Property business where we have a high degree of influence to help reduce waste and manage the use of materials. We have incorporated new waste reporting criteria into our waste contracts and adopted requirements from the Better Business Partnership (BBP) Operational Waste Guidelines into our waste and recycling contract specifications, which will be a significant step towards providing more accurate data on waste recovery and disposal. This improved accuracy will allow us to better understand how waste is being managed and therefore develop appropriate strategies to increase diversions.

We work towards our business unit targets by setting specific diversion targets (per cent diversion from landfill) for each Commercial Property asset to facilitate achievement of our overall waste and recycling goals each year. We also require colour-coded signage on mall waste bins in our Retail Town Centres, as well as in loading dock areas. We do not set targets related to total waste generation because levels of waste are directly correlated to levels of visitation, which is not within our direct control.

We continue to explore opportunities for more effective disposal of organic waste across our Retail portfolio. For example, at Stockland Cairns (Qld), our waste is taken to SITA's Advanced Resource Recovery Technology (ARRT) facility, which sorts non-organic materials from mixed solid waste. Dry materials are manufactured into alternative fuels that replace fossil fuels in industrial furnaces, and organic waste is processed in accordance with appropriate Australian standards to produce high quality compost, which is sold to local horticultural enterprises, such as sugarcane producers.

At our Retirement Living communities, residents' homes are generally serviced by local council waste services. We therefore have limited visibility or control of waste generation and recycling streams and are continuing to explore options with waste contractors that service our clubhouses.

C. Review and evaluation of the management approach

We review and report on our progress against our waste management and materials use targets as part of our annual **Waste and Materials 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 contributed 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.

We continue to monitor industry standards regarding waste management and material specification and to identify best practice processes and procedures across our asset classes.

We stay informed of material and waste innovations for use in the design, development and operation of our assets, and also collaborate with industry partners to identify, develop and/or trial innovative materials.

We engage with our development contractors to confirm adherence to the sustainability plans, their use of specified sustainable materials, and to identify improvements to their construction waste management approach. Contractor compliance with our sustainability and materials requirements is monitored via our quality assurance processes.

During the tender phase, contractors provide a strategy outlining how the specified minimum waste management requirements will be met. During the construction period, documentation is submitted to us to validate the adherence to these standards. Upon project completion of Green Star projects, the contractor is required to submit the project for a Green Star Design & As Built rating and materials attributes are also considered within Green Star Communities.

D. Responsibilities

The table below describes key roles and responsibilities associated with our approach to waste management and materials use.

Role	Responsibilities
Board Sustainability Committee	Oversight of approach to waste, recycling and materials selection, including targets and performance tracking
Chief Financial Officer (CFO)	Responsibility at Group level for environmental performance, including waste, recycling and materials Reports directly to Managing Director and CEO
Group Executive and CEO Commercial Property Group Executive and CEO Communities	Responsible and sustainable materials sourcing and waste management by their teams, business units and within their activities and projects
Executive Committee	Supports the delivery of our waste management and materials use approach
National Manager – Group Sustainability	Waste management strategy development Reports directly to CFO
National Sustainability Managers	Identification of risks and opportunities regarding materials use and waste/recycling initiatives Collaboration with business units on specifications for materials use
General Manager – Group Project Management and Direct Procurement	Incorporation and administration of minimum waste and material sustainability requirements into commercial property, residential and retirement living construction contracts
Development Managers and Asset Managers	Effective management of waste and recycling at a project and asset level Alignment with specifications and standards set by our policies and external certification requirements regarding materials used in development
Managing Director and CEO, COO, business unit CEOs, Development/Project/Asset Managers and functional staff	Achievement of key performance indicators relating to strategic waste and recycling reduction targets

E. Version control

Revision	Date	Owner(s)	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	
2	August 2019	National Manager – Group Sustainability	
3	March 2020	National Manager – Group Sustainability	

Our Management Approach to Water Management and Quality

A. Purpose

This document sets out our approach to managing water in the development and operation of our assets. It should be read in conjunction with our **Water Management and Quality Deep Dive** (available on our [website](#)), where we report on progress against water efficiency and quality 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**.

Water plays an important role in making our communities and assets attractive, healthy and efficient places in which our customers want to live, work, shop, and play. Water is also critical for broader environmental health and social wellbeing, and its availability is influenced by Australia's variable climate that can fluctuate between periods of water scarcity (often resulting in water restrictions) and severe flooding.

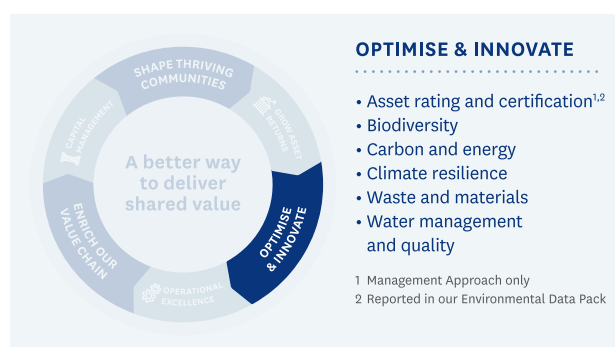
As a responsible real estate developer, we maintain a strong focus on water management and quality in the development and operation of our assets, including improving the quality of rainwater run-off leaving our project sites and downstream impacts on receiving water bodies, access to alternate water infrastructure, and practical innovation to support more efficient water use.

Our focus on water management acknowledges the financial costs associated with water consumption and the impacts of excessive consumption on water reserves, particularly in times of water stress. Effective water management delivers significant benefits to the natural environment, to broader society, and to our business by enabling performance and cost efficiencies.



For more information on our approach to managing water in the development and operation of our assets see our **Water Management and Quality Deep Dive**.

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/>)

B. Management approach

B1. Overview

Overarching objectives for our management approach to water efficiency quality are to:

- focus on water efficiency and sustainable sourcing
- deliver projects that minimise water use and positively contribute to local water catchments.

These objectives are integrated into our sustainability policies for each business unit. Our water management approach varies across business units because of the different opportunities that exist for us to influence these aspects during development and operation of assets within each asset class.

The table below summarises our water management approach for each business unit.

Individual project teams consider and plan water management initiatives through the development of an environment plan (for development projects), through the asset or capital expenditure planning process (for operating assets), or as part of an asset certification process (e.g. Green Star).

Business Unit	Focus	Why?	How?
Commercial Property (Retail Town Centres, Workplace and Logistics)	<p>Manage water consumption and enable operational efficiency across our Commercial Property assets.</p> <p>Inclusion of water efficiency objectives into developments.</p>	<p>Promotes more efficient operations, delivering cost savings to the business. Maintains the ongoing viability of our assets given the cyclical nature of water stress.</p> <p>Reduces waste water and improves availability of water supply.</p>	<p>We use Green Star – Performance and NABERS to benchmark water consumption and performance across our Retail Town Centre, Workplace and, where relevant Logistics assets.</p> <p>Our focus for Workplace and Retail Town Centres has been primarily leak identification and consumption management.</p> <p>We integrate water-efficient design in our developments and major amenity upgrades using specified products and minimum standards to achieve Green Star ratings</p>
Communities (Residential and Retirement Living)	<p>Construct and deliver high quality potable and non-potable water supply, while minimising water use in construction and operation through design, management and enabling operational efficiency.</p> <p>Contribute positively to the health of nearby catchments by designing and managing stormwater run-off and maintaining the the quality of water that is released to the environment.</p>	<p>Stakeholders such as local authorities and the general public expect water use and quality to be managed appropriately during development. Effectively integrating these aspects into the design and development of our communities facilitates project approvals and contributes to the protection and preservation of ecological values.</p> <p>Initiatives focused on water supply to our communities contribute to their resilience of these communities in times of water stress.</p> <p>Promotes more efficient retirement living operations, delivering cost savings to the business.</p> <p>Reduce the footprint of potable water supply and reduce costs to residents.</p>	<p>We monitor water use during both construction and delivery of our projects. We have established water efficiency targets for our built form product using the CCAP Precinct tool¹.Modelling is used to test options for reducing consumption through ongoing monitoring and data collection, and target review.</p> <p>We seek to mitigate the impact of our developments on natural ecosystems and water supplies through water sensitive urban design (WSUD). We require WSUD on all new Communities developments.</p> <p>At all new retirement living community developments and approved residential communities, we use Green Star to benchmark and test options for reducing consumption in the completed project.</p> <p>We promote and facilitate efficient water use practices and investigate the viability of the provision of lower cost recycled/alternative water supply options..</p>

¹ We use the CCAP Precinct tool to help manage the environmental impact of our projects. It is a mathematical planning tool that enables a project to model and test different design and technology options and identifies the most cost-effective options to improve water management.

B2. Design and Development

We use the Green Building Council of Australia (GBCA) Green Star rating tools to support the design and delivery of water initiatives and to set a platform for optimal performance. All new Retail Town Centre, Workplace and Retirement Living developments, and Retail Town Centre and Workplace redevelopments in excess of 8,000 square metres, are required to achieve a minimum 4 star Green Star rating with a review of opportunities to stretch to 5 stars. Green Star sets minimum standards for water management and certification assists our assets to meet our water management targets.

At our Communities built form projects we set a target of improving water efficiency by a minimum of 5 per cent when compared to the National Construction Code (NCC) and state-based regulatory requirements. We collect data for each home we build to assess our performance against our targets, with the intent of target review every three years.

Incorporation of water efficiency into the design of our residential developments varies according to the opportunities presented by regulatory schemes governed by state and local authorities. All of our residential communities projects in New South Wales are BASIX compliant, and water tanks are typically provided at homes to supply a combination of irrigation, toilets and laundry. In some projects in Queensland, we have mandated water tanks through a covenant placed on lots (e.g. Bells Reach). Other Queensland residential developments are also connected to recycled water grids (e.g. Ormeau Ridge). In Victoria, many of our projects (including Cloverton, Highlands and Selandra Rise) are supplied with reticulated recycled water to supply irrigation requirements at a minimum. In Western Australia, most of our water used on-site is supplied via a bore and managed through a water extraction license. Efficient landscaping approaches are typically employed to reduce irrigation demand.

Australian regulatory processes require permission from government authorities to extract water from water bodies. These authorities determine level of significance based on each development application. Developments are unlikely to gain approval if a water source is deemed to be significantly affected. Equally, regulatory processes do not allow water discharge into significant areas of biodiversity unless it is demonstrated that there will be no significant impact (and thus we do not report on bulk discharge separately). This is determined, monitored and enforced by the regulatory authority. As a minimum requirement for environmental approval on all projects, we reduce the pollutant load of any stormwater run-off before discharging water to receiving water bodies, and comply with applicable regulations regarding water discharge into waterways and significant biodiversity areas.

Water Sensitive Urban Design (WSUD) is also considered in all our developments. WSUD achieves sustainable management of water in urban areas through integration with the urban design, and considers all of the elements of the urban water cycle including potable water, wastewater, rainwater, stormwater and groundwater. We have a mandatory requirement to meet minimum standards for WSUD across all our projects regardless of local requirements. Residential projects are required to demonstrate what targets will be achieved and actions will be taken as part of their specific environmental plan.

During construction, water is usually captured and reused on-site, however as this is managed by a civil works contractor, we do not control the percentage or total volume reused. Whilst our contractors preferentially use recycled water, this is often 'topped up' with other water and metrics on these levels are not available. Therefore, we do not report the amount of water recycled within residential and retirement living. This is an opportunity for our operating properties, and we are investigating metering to capture this in future.

B3. Operations

In Commercial Property operations we undertake Green Star Performance ratings and NABERS Water ratings on our Retail Town Centre, Workplace and Business Parks portfolio to benchmark the performance of our assets against industry standards and to measure the effectiveness of the initiatives and actions we implement.

We continue to install water sub-metering systems to monitor water consumption in our Retail Town Centre and Workplace assets. These systems have improved clarity on where water is being consumed and assisted our asset management teams to rectify wastage more efficiently.

In our Residential communities portfolio we seek to promote water efficient landscaping to enhance water efficiency in the day-to-day lives of our communities. Water efficient landscaping can include the use of rain sensors that can be controlled remotely to operate a drip irrigation system, as well as specifying drought resistant species for roadsides and parks. Other water efficient landscaping initiatives include drought-resistant species in residents' sales covenants, low or no-irrigation landscaping, and water tanks or basins to service irrigation needs.

We generally transfer operational control (i.e. maintenance of public spaces) to local councils following project completion or as stages of our projects are completed. We sometimes collect water for reuse in watering and maintaining parks and public spaces, however we do not record the total volume captured before handing over control to public authorities.

In our Retirement Living portfolio, upgrades to operational village clubhouses and common areas include water saving measures such as water-efficient tap fittings and toilets and utilising rainwater tanks for water collection and irrigation where possible. When renovating independent living units for resale, they are refitted with water efficient appliances and fittings to improve their saleability and reduce water demand for the new resident. Our Retirement Living design guidelines encourage reductions in water use and improved water efficiency. Our standard design requires water efficient appliances and fittings, rainwater harvesting where possible, and drought tolerant landscaping and efficient irrigation.

C. Review and evaluation of the management approach

We review and report on our progress against our water management commitments and targets as part of our annual **Water Management and Quality 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.

Our use of rating tools (e.g. Green Star, NABERS) enables us to evaluate our developments and operations against a benchmark for best practice, with our performance against this benchmark reviewed at re-certification (e.g. annually for NABERS).

On a day-to-day basis, our sub-metering, monitoring, and data capture and management systems enable us to identify areas of divergence that may require attention outside of the annual reporting cycle. We use internal reporting of our progress to senior leadership teams and to our Board as a means of continuously reviewing our performance and enabling adjustments to our management approach as required. These adjustments are then incorporated in appropriate documentation that is reviewed annually.

We engage with industry bodies such as Green Building Council of Australia, Property Council of Australia and other external stakeholders to stay informed of current trends, material issues and industry benchmarks. Water management and quality is also the subject of investor surveys (e.g. Global Real Estate Sustainability Benchmark and SAM Corporate Sustainability Assessment) that provide an indication of our performance compared with our peers.

D. Responsibilities

The table below describes key roles and responsibilities associated with our approach to water management and quality.

Role	Responsibilities
Board Sustainability Committee	Oversight of water management and quality approach, targets and performance tracking
Chief Financial Officer (CFO)	Responsibility for water management and quality performance at a Group level Reports directly to Managing Director and CEO
Executive Committee	Supports the delivery of our approach to water management and quality
National Manager – Group Sustainability	Effective implementation and evaluation of our approach to water management and quality Reports directly to CFO
National Sustainability Managers	Guidance of asset teams in effective delivery of our sustainability policy and supporting toolkits
Development Managers and Asset Managers	Effective delivery of water management and quality objectives at a project level
Managing Director and CEO, COO, business unit CEOs, General Managers, Project and Asset Managers, functional staff	Achievement of key performance indicators relating to water management and quality

E. Version control

Revision	Date	Owner(s)	Changes
1	September 2018	General Manager – Sustainability and Corporate Procurement	
2	August 2019	National Manager – Group Sustainability	
3	April 2020	National Manager – Group Sustainability	

Our Management Approach to Employee Engagement and Development

A. Purpose

This document sets out our approach to employee engagement and professional development. It should be read in conjunction with our **Employee Engagement, Development, Diversity and Inclusion Deep Dive** (available on our [website](#)), where we report on progress against employee engagement and professional development 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**.

The ability to engage and retain our employees is critical to our overall business performance. Employees who are engaged are more productive, more passionate and more inspired to innovate and deliver above and beyond standard performance.

Developing our employees' capabilities enables them to enhance performance, drive continuous improvement, and deliver on our business strategy and purpose. Effectively monitoring and evaluating performance also enables us to maintain alignment between our people's actions and our broader business objectives.



For more information on our approach to employee engagement and development see our **Employee Engagement, Development, Diversity and Inclusion Deep Dive**.

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/>)

B. Management approach

B1. Employee engagement

We have a multi-faceted approach to enhancing employee engagement, including career development and reward and recognition programs, health and wellbeing initiatives (refer to **Our Management Approach to Health, Safety and Security**), giving and volunteering activities (refer to **Our Management Approach to Community**), and inclusive workplace and flexible work arrangements (refer to **Our Management Approach to Diversity and Inclusion**).

Our Voice

We measure employee engagement annually through the Our Voice survey, independently administered by survey provider Willis Towers Watson. The survey measures our level of employee engagement and provides us with valuable information about our people's perceptions and experiences of our workplace.

The survey generates scores for employee engagement and several other key evaluation metrics such as wellbeing, corporate responsibility and sustainability, diversity and inclusion, and leadership communication, which helps us understand what is working well, where we can improve, and how our performance compares to that of our peers and leading international companies. The insights provided by employees through their contributions to Our Voice help guide our people strategy and subsequent activities aimed at improving the engagement of our people.

The survey also provides valuable insight into key issues affecting our employees, with employee responses to the following statements helping us to ascertain the effectiveness of our employee engagement: "the organisational structure facilitates

efficient operations"; "the organisational structure provides clear accountabilities"; "I believe values are clear"; "leadership decisions are consistent with the values".

Our Voice survey results are communicated to all employees via business-wide communication channels and cascaded through team debriefs and action planning sessions. A requirement of the Our Voice process is that employees have the opportunity to attend a results debrief and action planning session. Team debriefs are either facilitated by a member of the People and Culture (P&C) team or by a manager, and provide an opportunity to validate the survey findings and obtain qualitative data with a view to capturing key issues and opportunities. At each level of the organisation, teams identify key themes emerging from the survey results and determine specific initiatives to address these focus areas in the financial year.

Developing leaders who are authentic, accessible, performance-focused and a beacon for talent, is a core component in maintaining and building employee engagement. Stockland has an extensive leadership and development framework to enhance manager skills. Our Voice, regular pulses and feedback help to identify areas of focus for leaders to build a highly engaged workforce.

Internal communications

One of the most fundamental components of our employee engagement approach is internal communications, which is managed by our Stakeholder Relations team. Our internal communications strategy clearly outlines why and how we engage with our employees, and sets out five elements that define our ideal future state and how we aim to achieve it:

Ideal future state	How we aim to achieve it
Employees understand and feel connected to the business strategy	Use communications to provide an overview of the strategy and an update on how we are tracking against it. Provide links between employee activities and outcomes. Demonstrate how cross-business collaboration helps achieve business objectives.
The Executive Committee members are seen as capable and inspiring leaders with open and regular communication	Build support for the Executive Committee by demonstrating their passion, commitment and knowledge. Build trust through open and honest two-way communication.
General Managers and Senior Managers are effective communicators	Improve leadership and senior manager team communications so that employees feel supported and well informed about their business.
Employees are advocates for the brand and values	Increase understanding of the Stockland brand and values to support employees to advocate for the brand.
Employees feel good about coming to work and have the information and support they need to do their jobs well	Provide access to the information employees need, when they need it and via the right channels.

The Internal Communications team supports the achievement of business objectives by partnering with business units and departments to provide strategic communications advice.

The main channels used to communicate with our employees are digital media (including intranet, blogs, emails, newsletters, award e-cards, polls/surveys, Yammer), face-to-face activities and events such as employee roadshows, employee town hall meetings, open invite lunches, team meetings, leaders' forums and networking events.

Communication of significant operational changes

Consultation requirements regarding notice periods for significant operational changes are set by modern Awards that apply to certain staff. With regard to collective bargaining agreements, a minimum notice time frame is not specified, however they do state that notice of change must be given as early as practicable. We apply a standard approach to consultation, regardless of whether employees are covered by a modern award or a collective bargaining agreement.

In the case of significant operational changes, we must discuss with impacted employees (and their representatives if any) the introduction of the changes, and measures to avert or mitigate the adverse effects of such changes on employees. We must also give prompt consideration to matters raised by employees and/or their representatives in relation to the changes. The discussions must commence as early as practicable after a definite decision has been made by the employer to make the changes.

All collective agreements in which our employees are included contain the right to cease work in case of imminent risk of safety. Other health and safety topics covered in these agreements include entitlements with regard to personal protective equipment, statutory obligations with regard to workplace, health and safety legislation, and employee obligations to safety as specified in the role classifications.

Graduate program

Every year we recruit a cohort of graduates in a variety of disciplines from Australian universities. Our graduate program aims to build a pipeline of future talent, to introduce diversity of thought, and to provide a high quality early career experience. The graduate program runs for two years, and all graduates undertake a comprehensive training development program to supplement their on-the-job experience. As part of the program, graduates participate in graduate-focused development days, are allocated a senior leader from the business as their sponsor, participate in volunteer days, and complete

discipline-specific professional qualifications. Graduates also gain exposure to the Executive Committee and senior leaders via both one-on-one and group events. In addition, graduates complete our Career Foundations program and our Real Conversation and Business Writing programs.

Supporting the graduate program are a number of feeder pools, including:

- the Ervin Graf scholarship and work experience throughout the year aimed at training and developing high-performing property students
- the Stepping Into program, which supports undergraduate students with a disability
- UNSW Internship for Business Students, which provides students with the opportunity to gain work experience
- UTS Bachelor of Accounting Sponsorship, which provides work training to accounting students completing their undergraduate degree (students complete two six-month internships with sponsor organisations)
- internships provided to UTS Law students throughout the year, which serve as additional sourcing channels to the graduate program and support our broader diversity strategy.

Diversity and inclusion

Building a diverse and inclusive workplace is an important component of employee engagement, and we provide further detail on our diversity and inclusion approach at [Our Approach to Diversity and Inclusion](#).

B2. Employee development

Learning and development

Our learning and development program is structured to help employees, as they join the organisation, to grow within their roles once they are on board, and to lead their teams in an inclusive way:

- **Join** – focuses on helping new employees understand our organisation, strategy, values and purpose through orientation programs and compliance training.
- **Grow** – covers technical training specific to our job families, industry programs and general professional development such as presentation skills, how to have difficult conversations and how to increase their presence and technology training. We have a number of programs, initiatives and services to support the development of our key job families such as sales, centre management, development management, project management and village management. The purpose is to provide employees with the knowledge and skills necessary to perform and grow in their roles.

- **Lead** – focuses on developing our people’s leadership skills to deliver our strategy, develop their teams and achieve results. Recognising that most adult learning (approximately 70 per cent) happens by doing, we focus on providing our managers with the skills they need to coach and develop their teams and give them the tools to focus their career. We have a core leadership curriculum in place to support this, complemented by online training solutions, coaching, 360° leadership reviews and other assessments. Stockland’s detailed capability masterplan helps us to develop our people through all phases of their career, from front line leader roles through to senior leadership positions.

Leadership at all levels

Senior leaders are developed through structured learning programs aligned to their personal development plan. This growth and development is sponsored by an individual’s direct manager and supported by targeted coaching and learning experiences. ‘Stretch assignments’ are identified for leaders to help them move through key transitions. External assessments from specialist leadership development providers generate insights and help individual leaders and their sponsors on growth strategies. At senior levels in the organisation the growth and development of leaders is an individual pathway,

slightly different for each person. The aim is to produce a cohort of leaders who can solve the most complex problems faced by the company, delivering successful implementation of the strategy.

Stockland’s approach to growing front line and middle managers leverages a group capability framework, coupled with an internal calendar of programs, external partners, and a tailored online resource of tools and skill guides, to generate breadth and a strong foundation for each leader. The development strategy respects the broad variety of roles, locations and learning styles across Stockland’s diverse operations. At these levels of management, learning aims to cover critical capabilities with more generalised tools and programs. The aim is to produce a strong foundation of leaders for the organisation, its operations, customers and teams.

Performance and development

Every year, all employees are required to set clear and measurable development objectives to deliver the objectives of their business and the broader Group. These are collected and tracked via our performance management system.

Our performance and development process is described below.

Stockland performance management process



Performance review process

Our performance review process measures the employee’s overall performance, including progress against the objectives set at the start of each financial year or at the commencement of a new role. Employee performance is an ongoing focus, reflected in the nature and rigour of our performance review process, outlined below:

- **objectives setting** – managers and employees agree objectives and measures of success for the performance year
- **ongoing feedback** – managers and employees have regular meetings throughout the year to

discuss ongoing performance and progress against employee’s objectives

- **mid-year check-in** – an informal opportunity to review employee progress against agreed objectives
- **annual review** – a formal annual review process is conducted at the end of each financial year and is a summary of the regular discussions that have been held with employees throughout the year, including the mid-year check-in. Following the annual review, a performance rating is assigned, which reflects the employee’s overall performance including performance against their objectives and the Stockland values throughout the year.

Career development process

We encourage career development through the establishment and ongoing review of personalised development plans, agreed between an employee and manager. This occurs at the start of each financial year or at the commencement of a new role. The development plan may be completed at the same time as setting performance objectives with the view to identifying actions to build their capability to deliver on their objectives and grow their careers. Progress against this development plan is reviewed in conjunction with the key objectives as part of the performance review process outlined above.

To complement this review process, employees have at least one formal One Up discussion each year with their manager's manager, which provides them the opportunity to share their career aspirations, explore broader career development options and build a stronger relationship with upper management. Employees are encouraged to drive their own career development, and we provide our employees and their managers with the tools to do so.

We have implemented a number of programs and initiatives that drive career development:

- **3-in-3 Program** – a structured professional learning program that involves shadowing an experienced employee in another part of the business. The program is designed to facilitate cross-divisional learning, provide a more comprehensive understanding of the key functions of different areas and to broaden and develop employee skillsets and awareness of potential career opportunities.
- **Leadership** – we have several programs to provide leaders with the knowledge and skills to facilitate career conversations. This includes Managing@Stockland, Leading with Presence, Real Conversations, Career Foundations, Career Resiliency and our Senior Resiliency program.
- **On-the-job** – we continue to expand the number of opportunities for our employees to get involved in cross-business projects and initiatives including the Core Systems Program and Employee Advocacy Groups (EAGs), which support our broader diversity and inclusion strategy.
- **Further education** – employees are encouraged to undertake further education at accredited industry or tertiary institutions. We have a Further Education Assistance Policy that outlines the three levels of support we offer for employees undertaking further study, depending on the relevance to their current or next role.
- **Professional development** – we encourage participation in external training to assist employees with their general professional and career development.

A list of our preferred courses and vendors is provided on our intranet.

- **Property Council of Australia** – employees attend public, in-house or online courses through the PCA partnership, building skills and credentials within the property industry.

In addition to the standard performance and development processes and initiatives, we also maintain a strong focus on continued employability. We seek to minimise the impact on those affected by organisational restructures and retrenchments by supporting them in the search for alternative employment, in the first instance within our business or externally. Outplacement services are offered to employees whose roles have become redundant, with the type and level of support offered varying in accordance with the individual's career stage.

Our outplacement providers are available to employees and provide services such as career goal setting, job search strategy development, access to office support and comprehensive research facilities, group workshop and seminar programs, small business advisory services and expert advice on money matters.

Talent and Succession

Every year we assess our leader population (Executive Committee, General Managers, Senior Managers and Managers) to identify our high-potential employees and map successors for leadership team roles (Executive Committee and General Managers). The talent review process allows us to target investment in our high-potential employees and provide them with development, visibility and support to further their career at Stockland. The succession process involves identifying successors for leadership team roles to support employee engagement, development and retention and business continuity in the event of leadership team turnover.

The resulting talent and succession report, including associated analysis and insights, is shared with the Executive and P&C Committees for their review and input.

C. Review and evaluation of the management approach

A comprehensive set of targets and priorities guides our approach to employee engagement and development.

We report on progress against our employee engagement and employee development priorities and targets as part of our annual **Employee Engagement, Development, Diversity and Inclusion 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.

Our Voice

We use the results from our annual Our Voice survey as an important source of information in evaluating the effectiveness of our engagement activities and the initiatives executed as part of our people strategy.

The annual Our Voice survey measures key scores for employee engagement and several other key evaluation metrics, such as wellbeing, sustainable engagement, diversity and inclusion, and leadership communication. The survey questions are reviewed annually with support from our independent provider Willis Towers Watson so that the information gathered is consistent for key scores and also takes current priorities around employee engagement into account.

Talent attraction and retention

We recognise that employee engagement has a direct relationship with both productivity levels and talent attraction and retention. As such, we use key retention metrics to determine the success of our employee engagement activities, including employee initiated turnover, turnover in the first year, and key talent retention. Employee turnover is monitored and reported monthly on a rolling 12-month average. We also track turnover for employees with Strong performance or above. We set annual targets for turnover and report on these regularly to our Executive Committee and Board. Senior Managers receive monthly updates on their respective turnover progress.

Exit surveys also provide valuable information on key drivers of retention and reasons for leaving. These are analysed every six months.

Internal communications

We measure the reach and impact of our internal communications in a number of ways, such as through the Our Voice survey, page hits on the intranet, open rates of emails, engagement on Yammer, and surveys following employee events such as the employee roadshow.

Employee development

We utilise a range of metrics as proxies for determining the return on investment in employee development, including employee costs, turnover, and leave rates. These metrics are monitored and reported monthly to our Executive Committee and Board to track overall HR effectiveness and are readily available to senior leaders across the organisation through the HR Dashboard on the intranet.

Our annual Our Voice employee engagement survey has a professional development and performance review category, which allows us to see how our people perceive their skill development and performance feedback over the year. We also evaluate each of our learning programs that aim to capture learning transfer and adoption.

Our leadership competencies are built into 180° leadership assessment that our senior leaders undertake as they participate on the Senior Leadership Experience Program.

D. Responsibilities

Roles and responsibilities associated with delivery of our approach to employee engagement, development, diversity and inclusion are described in the table below.

Role	Responsibilities
Managing Director and CEO	Responsibility for employee engagement, employee development, diversity and inclusion at a Group level
Executive Committee members	Accountability for driving initiatives and actions that deliver improved employee engagement outcomes
All managers, senior managers, general managers and executive employees	Meet employee engagement performance measures, in addition to other key focus areas measured through the Our Voice survey
Leaders and managers	Align with defined leadership accountabilities and competencies outlining what is required to coach, develop and build high-performing teams
All employees	Effective engaging and responsive internal communications that contribute to the achievement of optimal business outcomes
Corporate People and Culture team	Supporting the development and growth of our people through learning and development initiatives Coordination of Group-wide programs such as talent reviews, succession planning and performance reviews
Business People and Culture teams	Partnering with business units to support and coach line managers to secure the right people, manage performance, build capability, grow talent and create the climate to deliver business outcomes

E. Version control

Revision	Date	Owner	Changes
1	September 2018	General Manager – Human Resources	
2	August 2019	General Manager – Human Resources	
3	March 2020	General Manager, Organisation Development and Corporate, People and Culture General Manager, Performance and Reward, People and Culture	

Our Management Approach to Employee Diversity and Inclusion

A. Purpose

This document sets out our approach to employee diversity and inclusion. It should be read in conjunction with our **Employee Engagement, Development, Diversity and Inclusion Deep Dive** (available on our [website](#)), where we report on progress against employee diversity and inclusion 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**.

Stockland is committed to enhancing the diversity of our workforce and building on our inclusive culture. We aim to maximise the potential of our people and appreciate that individuals with different backgrounds, gender, ethnicity, physical abilities, sexual orientation, family status and thinking styles bring diversity of thought, more informed decision-making and ultimately better business outcomes. We believe that Stockland should reflect the diverse range of customers, residents, stakeholders and communities that we operate in.

An inclusive culture is key to creating an environment that not only harnesses diversity but leads to a true sense of belonging and community. This is at the heart of our purpose: 'We believe there is a better way to live'. Success in delivery on our purpose depends on our ability to create that same sense of belonging and inclusion within our workforce.

Our Diversity and Inclusion strategy and action plans target the following aims:

- building the awareness and capability of our people leaders to embrace diversity and flexibility;
- maximising diversity in leadership positions, in particular the proportion of women in management roles;
- creating a more inclusive workplace; and
- being a diversity thought leader and advocate in the property sector.



For more information on our approach to employee diversity and inclusion see our **Employee Engagement, Development, Diversity and Inclusion Deep Dive**.

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/>)

B. Management approach

B1. Overview

We have defined four key areas of focus:

Wellbeing, Accessibility and Cultural Inclusion	LGBTI+	Gender Equity	Flexibility
To support employee wellbeing, cultural diversity and employees with accessibility needs (physical, mental and neuro-diverse).	To provide an inclusive workplace for current and future LGBTI employees.	To enable the equitable attraction, retention, development and remuneration of all genders at Stockland.	To facilitate the mainstreaming of flexibility and accommodate work/life needs, whilst delivering against business objectives.

Measurement

In FY20 we designed and introduced a Diversity & Inclusion Index, demonstrating our continued focus on refining Diversity and Inclusion measurement and tracking success in this important area.

Key Diversity and Inclusion metrics including gender, wellbeing, LGBTI+, flexibility and cultural inclusion were selected and weighted to produce the overall D&I Index score, which we can use to reflect our progress. Index targets were approved by the Executive Committee and Stockland Board and form part of Stockland's Corporate Balanced Scorecard.

Employee Advocacy Groups (EAGs) and Stockland's Diversity and Inclusion Committee

The four D&I focus areas above are supported by four Employee Advocacy Groups (EAGs) to build capability and ownership build capability and ownership diversity and inclusion throughout our business.

Each EAG is sponsored by an Executive Committee member and led by a General Manager or Senior Manager. A diverse group of employees makes up each of the EAG groups and helps focus our efforts on issues important to employees.

The Diversity and Inclusion Committee is chaired by our Managing Director and is composed of the EAG Executive Committee Sponsors, EAG leads, other Executive Committee members and applicable People and Culture managers.

Wellbeing, Accessibility and Cultural Inclusion

Our focus on employee wellbeing encompasses mental, physical and personal wellbeing, with key aspects including:

- providing and promoting the Employee Wellbeing Assistance Program, which is our free, confidential counselling service that can be used by all employees and their immediate family members ;

- physical health programs to encourage employee exercise participation and healthy eating in our offices ;
- providing access to facilities that support wellbeing through workplace design e.g. end-of-trip facilities as well as building design features including plants, natural light, ergonomics and quiet spaces;
- offering programs that encourage social connection with local communities through workplace giving, paid volunteering leave and our CARE Foundation partners;
- mental health support and education for our employees through our CARE Foundation Partners R U OK? and ReachOut; and
- training programs to help support personal and organisational wellbeing and resilience.

Our cultural inclusion strategy encourages support for cultural participation, access, and the right to express and interpret culture. **Our Reconciliation Action Plan (RAP)** is closely aligned with our cultural inclusion strategy and sets out our commitment to deepen our understanding of our shared histories, cultures, and achievements, and explore ways we can contribute to reconciliation in Australia becoming a part of our thinking and our actions.

Progress against our RAP actions is tracked and reported throughout the year, including targets for indigenous employment opportunities.

Our disability strategy advocates for improved recruitment of people with a disability and supporting accessibility in the workplace. We partner with the Australian Network on Disability to provide undergraduates with work experience through our Stepping Into Internship program.

LGBTI+

Our LGBTI+ strategy seeks to promote LGBTI+ inclusion for employees, customers and communities. We aim to enhance our positioning as an employer of choice for LGBTI+ employees. and enhance our positioning as an employer of choice for LGBTI+ employees. We have utilised our benchmark results from the Australian Workplace

Equality Index to build and execute a targeted strategy. Key focus areas of this strategy include:

- providing guidance and advice on LGBTI+ employee inclusion in regards to communications, policy and employee experience;
- enhancing key policies to be more inclusive for LGBTI+ employees;
- providing guidance on LGBTI+ issues and inclusivity in external marketing and communications;
- supporting and building an 'Ally' network of employees who actively promote their support of their LGBTI+ colleagues;
- building awareness and understanding of LGBTI+ inclusion through training and communications with our Executive Committee, People and Culture and all other employees;
- increasing our visual support of LGBTI+ inclusion in our offices as well as our built and digital assets including the use of social media, employee and customer communications, videos, signage and merchandise.

Gender Equity

We have strong and long-standing support for gender equity and are committed to maintaining an environment where we encourage and support career development and advancement of all genders in our business. Some key aspects of our commitment to gender equality include:

- our Managing Director advocating for gender equity in the broader property industry as a member of the Property Male Champions of Change group;
- being recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for our active commitment to achieving gender equality in the workplace;
- gender targets relating to women in management and senior women in management being part of our Corporate Balanced Scorecard as well as individual KPIs for Executive Committee, General and Senior Managers;
- a commitment to pay equity through ongoing measurement, external audit and targeted actions;
- balanced recruitment shortlists and offers with gender service level agreements for our recruitment panel providers;
- learning and development programs to help support career acceleration, including a Senior Women's Sponsorship program with our Executive Committee and an Accelerate Development program to develop a pipeline of female talent for the Development job family that has lower representation of female managers than the wider Stockland population;
- career resiliency programs that are available as female only or mixed cohorts;
- networking events to promote and encourage the leadership of women at all levels;

- support for industry programs such as the Property Council Australia's 500 Women in Property to help facilitate industry networking.

Flexibility

Our flexibility strategy focuses on making flexibility business as usual.

Our workplace practices and leave policies seek to foster a flexible working environment. Work-life balance commitments continue to be important to employee wellbeing and workplace flexibility and a key reason why our people choose to stay working with us. Our annual engagement survey shows one of our strengths is that people feel "My work schedule allows sufficient flexibility to meet my personal/family needs".

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 employees and managers, and an online application and monitoring system. 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 team 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 their work/life balance. This is supported by tools and regular communication, which is tracked in our people management system.

Our benefit policies apply to permanent part-time employees as well as permanent full-time employees. Temporary employees are not covered by the same benefit policies but have remuneration and entitlements specified in their individual contracts.

Parental Transitions

Through a parental transitions program our employees are supported prior to and whilst on parental leave to enable them to be both informed and connected throughout this important stage of their careers. Managers and employees maintain continued focus on career development both during and on return from leave, and employees are partnered with a mentor that has previously been on parental leave to provide guidance and support before, during and after leave. Keeping in Touch Days provide employees the opportunity to visit their local head office to stay connected with important business updates and transitioning advice, and Stockland provides onsite or

in-home nanny support so employees can participate in a way with which they feel most comfortable with.

We also offer to all employees Work|Life Links, an online resource and advisory service that helps employees find suitable solutions and providers to support them in balancing their work and carer commitments. Work|Life Links assists individuals with information and support regarding any type of dependent care, health and lifestyle service.

Stockland Paid Parental Leave

We provide 16 weeks Paid Parental Leave to primary care givers with an additional Parental Flex Option where employees can choose either an additional two weeks of paid leave, having super paid during the unpaid portion of parental leave or a lump sum on return. We also provide flexibility for non-primary carers so that they can take leave at a time that most benefits their family. If a non-primary care giver subsequently assumes the responsibility of primary care giver within 12 months of birth, adoption or fostering, the employee can take up to an additional 14 weeks primary carer's leave. This encourages all genders to take advantage of both primary and secondary carers leave so they can devote time to and care for their child with their partner, which Stockland widely advocates given the numerous benefits this creates.

Our parental leave policy includes surrogacy, adoption and fostering. Stillbirth has also been included; in this circumstance Stockland fully recognises childbirth and employees are supported to take full parental leave. We also updated our policy to highlight our support for parents who experience sudden infant death syndrome (SIDS).

B2. Recruitment and selection

We are focused on preventing discrimination throughout all phases of the employment life cycle, beginning with recruitment and selection. Our recruitment is focused on selecting the best person for the job, taking into account only factors relevant to the person's ability to successfully perform the role. As a default, we seek to advertise all roles internally to facilitate access by all employees and we use gender-neutral language in advertisements.

We seek to provide a diverse range of candidates for presentation on shortlists and to have male and female interviewers as part of any recruitment process. All senior hires (Senior Manager and above) are reviewed by our Executive Committee to facilitate transparency around gender outcomes.

Our managers are supported by an in-house recruitment team focused on encouraging decisions based on merit and removing unconscious bias.

B3. Key working groups and industry participation

We aim for inclusive representation on internal committees and working groups that are formed to work on important business initiatives by including employees of different genders, cultures and work patterns. This aims to improve the diversity of views as well as providing career development opportunities across our diverse mix of employees.

We support the Male Champions of Change's Panel Pledge which means employees will only participate in panel and speaking engagements that can reasonably provide a balanced involvement of all genders.

B4. Preventing discrimination and harassment

We are committed to preventing discrimination and harassment. Upon commencing with Stockland, all employees are required to complete an online course on Equal Employment Opportunity. Subsequently all employees are required to complete refresher modules every 18 – 24 months. We also run targeted people manager sessions as required to improve awareness of unconscious bias and the consequences of stereotypical beliefs.

B5. Learning and talent development opportunities

We provide opportunities for personal development for all our employees through a wide range of programs and experiences to support development of technical and professional skills, people management and leadership capabilities. In addition, as part of our talent and succession management program, targeted development plans are formulated to address identified knowledge, skills and experience gaps of our high potential employees. Providing these opportunities is critical to building our talent pipeline and enabling the development and promotion of people from diverse backgrounds. We look to provide development opportunities, including training participation, that are consistent with our diversity efforts.

In 2020 we launched a new online leadership resource for all employees, with practical tools and guides to help our people in leading themselves, others and teams across Stockland. Anyone in Stockland can access the tools when and where it works for them, helping them to learn and grow professionally. The tools cover a range of topics including leading change, supporting health and wellbeing in your team, and leading inclusively.

B6. Talent identification and succession planning

Talent, succession and promotions are reviewed with a number of parameters in mind, including gender. Our annual talent and succession review aims to enable representation by women and men in key and emerging talent pools, and that women and men are considered in succession planning for each key role.

We review identified talent and successors against broader gender participation to highlight and assess any variances. In addition we look to identify talent and successors in job families with lower female participation, such as development, to support our broader diversity and inclusion goals.

As is the case with talent and succession, promotions are based on merit, looking at the expected leadership attributes required. Outcomes for these processes are reviewed for any gender bias and reported to Executive Committee and the Board for increased transparency. We have also commenced using a high calibre global leadership expert organisation specifically for the succession and development planning for Executive Committee roles, to further enhance the robustness of our approach as well as providing external input into our review process.

B7. Workforce analytics

Our annual Employee Engagement survey, Our Voice, provides detailed analytics of our diversity and inclusion metrics that can be examined by key demographic groups including gender, cultural background and LGBTI+, which provides insights on strengths and opportunities for ongoing focus areas within our workforce.

In addition to our annual talent and succession planning process, outcomes by gender are also core parts of analysis for all key People and Culture processes, including our annual performance reviews (ratings), promotions, and annual remuneration review (including short-term

incentives), and are reported to the People and Culture Committee of the Board.

We also report by gender, data from terminating employees (resignations or otherwise), including exit interviews, to highlight any perceived or potential diversity related issues.

Flexibility targets are part of individuals' KPIs, which helps highlight areas of our workforce that need focus.

B8. Performance and reward

Performance and career advancement

Our performance management framework facilitates fair evaluation of employee performance and equitable remuneration decisions. Performance is measured against balanced scorecard objectives that employees set in conjunction with their managers each year.

Calibration sessions are conducted with managers to facilitate consistent and fair performance assessments, thereby reducing any potential bias or subjectivity. Outcomes for these processes are reviewed for any gender bias and reported to Executive Committee and the Board for increased transparency.

Remuneration

A comprehensive analysis of pay by gender is undertaken ahead of the annual remuneration review to identify any material issues in regards to gender pay equity. This analysis looks at like-for-like roles with a target for our gender pay equity ratio (which measures market positioning of males compared to females applicable like-for-like roles) to be at 100 per cent (+/- three per cent)

In response to this analysis, additional budget may be allocated to address pay gaps that cannot be justified by market and internal relativities.

Our approach to performance and reward is intended to:

- achieve gender pay equity
- remove gender bias during the remuneration review process
- provide transparency of our remuneration approach
- hold managers accountable for pay equity outcomes
- maintain a transparent and rigorous performance assessment process.

B9. Domestic and family violence

Stockland is committed to providing a safe working environment and this extends to supporting employees if they are exposed to domestic or family violence.

Our support may include one or more of the following:

- People and Culture supporting managers and/or employees with assistance where domestic or family violence is impacting an employee, including development of a safety plan;
- the ability to request flexible working arrangements including alternative start and finishing times and alternative locations;
- access to our Employee Assistance Program;
- uncapped leave for employees who are experiencing domestic or family violence. This leave is critically important to those impacted so they can seek medical or legal assistance, attend court appearances or counselling, relocate or make other safety arrangements. The leave also extends to employees supporting affected family members.

We have provided awareness training with our Executive and General Managers to provide an understanding of the prevalence and organisational impact of domestic or family violence, and have trained First Responders nationally to

support managers and/or to be equipped to respond to employees impacted by domestic or family violence.

B10. Sponsorships and memberships

We are a corporate member of the Australian Network on Disability, Diversity Council of Australia, Pride in Diversity and National Association of Women in Construction. These organisations are committed to recognising and maximising the important role of diversity in business and we look to them for benchmarking, resources and education. We also seek sponsorship and partnership opportunities that contribute to thought leadership and advocacy in the property industry.

Our Managing Director and CEO is a founding member of the Male Property Champions of Change and we continue to share and apply learnings from this group.

C. Review and evaluation of the management approach

A comprehensive set of targets and priorities guides our approach to diversity and inclusion.

We report on progress against our employee diversity and inclusion priorities and targets as part of our annual **Employee Engagement, Development, Diversity and Inclusion 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.

D. Responsibilities

Roles and responsibilities associated with delivery of our approach to employee engagement, development, diversity and inclusion are described in the table below.

Role	Responsibilities
Managing Director and CEO	Responsibility for diversity and inclusion at a Group level
Executive Committee members (including the Group Executive, People and Culture).	Participate on the Diversity and Inclusion Steering Committee, accountability for driving initiatives and actions that deliver improved diversity and inclusion outcomes, and lead Group strategy and engagement on Employee Advocacy Group themes (for Executive Committee sponsors of Employee Advocacy Groups)
Employee Advocacy Group members	Meet key performance indicators related to respective Employee Advocacy Group themes, deliver initiatives in partnership with the Diversity, Inclusion and Communications Manager
All managers, senior managers, general managers and executive employees	Accountability to support initiatives and achieve diversity and inclusion performance measures such as inclusive leadership practices
Diversity, Inclusion and Communications Manager	Partnering with the Diversity and Inclusion Committee, Business Unit Leadership Teams, Employee Advocacy Groups and People and Culture Business Partners to set strategy and drive initiatives to enhance diversity and inclusion at Stockland
All employees	Help inform diversity and inclusion initiatives through engagement and feedback processes, participate in and support local initiatives and adopt inclusive behaviours organisationally

E. Version control

Revision	Date	Owner	Changes
1	September 2018	General Manager – Human Resources	
2	August 2019	General Manager – Human Resources	Updated document template, synthesised information on our Parental Leave Policy.
3	July 2020	General Manager, Organisation Development and Corporate, People and Culture	Updated leadership section, DFV policy, HR to People and Culture, and summarised some information.

Our Management Approach to Governance and Risk

A. Purpose

This document sets out our approach to understanding and proactively managing the risks we face in our business. It should be read in conjunction with our deep dive reports and data packs which comprise our sustainability reporting suite (available on our [website](#)). 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**.

We recognise that making business decisions that involve calculated risks, and managing these risks within sensible tolerances, is fundamental to creating long-term value for all our stakeholders. As an investor of capital, we conduct risk assessments at critical decision points during the investment process to identify risks and to meet target returns. The Board has determined that Stockland will maintain a balanced risk profile in order to remain a sustainable business and an attractive investment proposition, in both the short and long term.

We acknowledge that sustainability leadership at the Board and executive levels is critical to integrating sustainability management and performance into our culture, processes and business relationships. We also recognise the importance of effective management and remuneration methods that promote and incentivise proactive approaches to sustainability both at Group and asset level.

Health, safety and security are important focus areas for our business, and information specific to our health and safety management approach can be found online at **Our Management Approach to Health and Safety**.



For more information on our approach to managing climate risks and opportunities, including our alignment with the Task Force on Climate-related Financial Disclosures recommendations, please refer to **Our Management Approach to Climate Resilience** and our **Annual Report**.

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/>)

B. Management approach

B1. Governance of sustainability strategy and performance

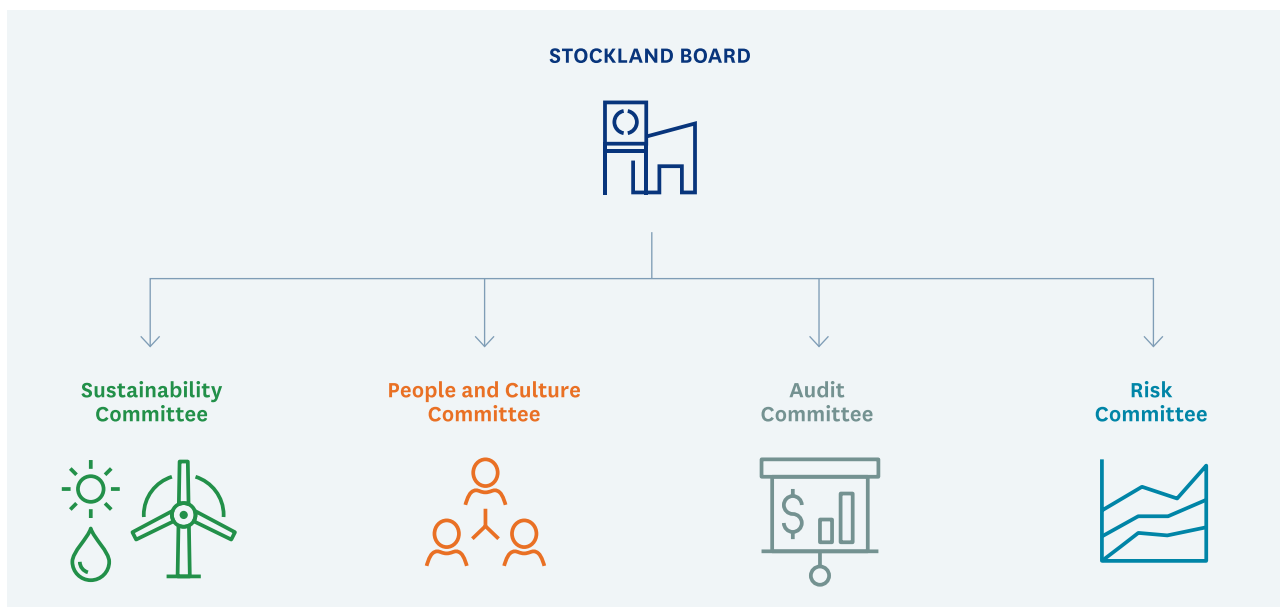
The Board

The Board takes its governance responsibilities seriously and believes it has the necessary mix of experience and skills to oversee the high standards of corporate governance, integrity and accountability required of a professional and ethical organisation. Further information about our corporate governance policies and practices, and about our directors and their competencies, is available on our [website](#).

All directors of the Board are members of the Sustainability Committee, reflecting the integral role that sustainability plays in our business operations and brand value. This enables directors to be well informed and to engage in policy and decision-making relating to our economic, social and environmental performance. The Board Sustainability Committee Charter is available [here](#). In 2016, we initiated a Board Sustainability Sub-committee, which includes two independent directors with the purpose of approving reporting and providing strategic input on matters before consideration by the Sustainability Committee and Board.

External guests are invited to educate and inform the Sustainability Committee on new and evolving areas of interest. These meetings also consider how our activities are benchmarked both nationally and globally via indices, assurance and industry experts.

Stockland Board committee structure



Executive Committee

Every member of our Executive Committee has specific responsibilities relating to our sustainability performance, with strategic key performance indicators linked to our achievement of internal and external targets and objectives (see figure below). Overall responsibility for sustainability at a Group level sits with our Chief Financial Officer (CFO) who reports directly to our Managing Director and CEO. Sustainability updates are submitted to the Executive Committee each month, along with a Stakeholder Relations update that outlines all significant stakeholder issues.

Stockland Executive Committee



Sustainability Steering Committee

Our internal Sustainability Steering Committee shapes and monitors our sustainability approach and strategy. The Steering Committee is chaired by the CFO and is composed of senior management from the various organisational departments including Strategy, Group Risk, Stakeholder Relations, Investor Relations, Project Management, Supply Chain, People and Culture, Operations, Development, Group Legal and Sustainability.

The Steering Committee meets twice per year, or more frequently as circumstances dictate, and invites other key internal and external stakeholders to attend meetings as required.

The Committee's key responsibilities include:

- informing our sustainability strategy;
- sharing knowledge and reporting on the environmental, social and governance (ESG) risks and opportunities across our current and planned operations;
- supporting delivery of sustainability targets;
- guiding business/functional compliance with our environmental and social policies, guidelines and agreed initiatives;
- providing input to external reporting on major sustainability targets, policies, principles and initiatives, including our annual integrated reporting; and
- acting as a first point of reference for significant ESG risks, opportunities and initiatives.

Working Groups

Due to the interconnected nature of many emerging issues, we often establish cross-function working groups with diverse skill sets to help embed sustainability practices into the way we do business, in accordance with guidance from the Sustainability Committee.

Governance of Stockland CARE Foundation

The Stockland CARE Foundation is a charitable trust set up for the purposes of delivering infrastructure, programs and initiatives that improve the health and wellbeing and education of Australian communities. The Stockland CARE Foundation directs its support to strategic and aligned charitable partners that help Stockland deliver on this purpose.

The Stockland CARE Foundation Board oversees the Stockland CARE Foundation strategy and programs. Members include:

- Tom Pockett, Chair of the CARE Foundation (January 2019 onwards) and Chair Stockland Board
- Mark Steinert, Managing Director and CEO
- Tiernan O'Rourke, Chief Financial Officer
- Louise Mason, Group Executive and CEO Commercial Property
- Katherine Grace, Group Executive, General Counsel and Company Secretary.

Our CARE Foundation Manager manages Foundation partnerships and programs. We have also established state-based CARE Foundation Committees, which consist of employees across New South Wales, Victoria, Western Australia and Queensland to help plan, implement and communicate Foundation programs and initiatives.

Annual reporting on the CARE Foundation can be found in the [Community Deep Dive](#).

Environmental Management System (EMS)

We developed a group-wide Environmental Management System (EMS), which formalises our environmental risk and opportunity management process. The EMS provides an overview of our commitment to environmental aspects and sets out how we resource and implement programs and procedures to achieve our goals. The document has been structured around the international standard ISO 14001:2015 Environmental Management Systems to show how our initiatives align with the requirements of the standard. An external expert has independently verified alignment with the standard. The document references our policies, procedures and other business management systems and documentation, which constitute an EMS.

Sustainability strategy implementation framework

Sustainability is integrated and embedded into processes and systems across our business operations and project development life cycle, as described in our EMS. We have a proactive framework in place to support the implementation of our sustainability strategy across our communities, villages and assets. Elements of the implementation framework are described in the table below.

Framework element	Example
Business-specific sustainability policies <ul style="list-style-type: none"> set minimum standards and requirements 	Residential Sustainability Policy
Sustainability plans <ul style="list-style-type: none"> guide site-specific actions and initiatives 	Aura Sustainability Plan
Project or asset-specific action plans <ul style="list-style-type: none"> determine operating and capital expenditure 	Aura Business Plan (including Sustainability Plan)
Key performance indicators and individual performance objectives <ul style="list-style-type: none"> drive commitment and performance of all employees to support delivery of project and asset-level action plans 	Achieve the target Residential Liveability score

Development

We incorporate social and environmental considerations into our design and development processes so that our assets are resilient and capable of sustained value creation over the long term.

Our project development lifecycle, known as D-Life, is the process followed to manage development opportunities from concept stage, through to planning and delivery. This process is common to all business units.

Each stage of the D-Life process requires the delivery of specific sustainability objectives to pass the defined approval gates specified in the figure below. These objectives and associated initiatives are outlined in our business-specific sustainability policies. These policies are aligned with our sustainability strategy and focus areas, tailored to the particular characteristics of each of our businesses and aim to promote consistency in our sustainability approach across all our developments.

Development Process – D-Life Value Chain



Operations

For our operating assets, we establish annual asset management plans that are aligned with our sustainability strategy for all Retirement Living and Commercial Property assets. These plans incorporate strategic sustainability initiatives and objectives as per the annual asset planning cycle diagram below. The Residential business completes an annual business planning process where sustainability planning is included as part of budgeting. Teams report on progress against objectives (including sustainability objectives) annually.

Integration of sustainability initiatives into asset planning



Ethics and conduct

Stockland believes in doing business in an ethical way and acting in a professional manner. We set high standards and are committed to meeting them. Our **Code of Conduct** outlines these standards and the related expectations placed on our employees. We ask all employees to confirm they have read and acknowledged the Code as demonstration of their commitment to our ethical standards, both on commencing with Stockland and as part of confirming their annual compliance statement. We act promptly to investigate any breaches of our Code of Conduct and apply penalties for substantiated breaches up to and including dismissal.

We have programs, processes and systems in place to promote and monitor compliance with our Code of Conduct, including:

- harmonisation of business processes with regulatory requirements
- routine monitoring and reporting to the Executive Committee and the Board on compliance (at a minimum, reporting to the Risk Committee and Audit Committee takes place each quarter)
- equal employment opportunity training in discrimination, grievance and harassment
- individual employee KPIs linked to our values
- training on issues of privacy, competition and consumer law
- whistleblowing policy to encourage reporting of improper conduct
- ongoing dialogue with external stakeholders
- confidential assistance program for employees to discuss any concerns, including those relating to improper conduct.

All new employees are required to complete mandatory compliance training as part of their on-boarding process which includes the following areas: privacy, fraud, bribery and corruption, insider trading, escalation of procedures, raising concerns, and conflicts of interest. Ongoing refresher training is provided, which all existing employees must complete.

Our Fraud and Corruption Policy sets out our approach to fraud and corruption and provides relevant employee guidance. More information on fraud and corruption prevention mechanisms is contained in our **Human Rights Deep Dive**.

We have a Conflict of Interest Policy, and Group Risk monitors conflicts via a conflict of interest register. Conflicts are managed via an approved management plan. Conflicts disclosures are reported to our leadership teams on a regular basis, and a summary of conflicts disclosures is provided to our Board Risk Committee at every meeting.

B2. Corporate Risk Management

Our approach to risk management is guided by Australia/New Zealand Risk Management Standard (AS/NZS ISO 31000:2018), the Australian Stock Exchange Corporate Governance Principles and other applicable regulatory standards. Our Risk Management Framework includes supporting guidelines, procedures and tools to help manage risk consistently across the business.

We recognise the importance of building and fostering a risk-aware culture, such that every individual takes responsibility for risks and controls in their area of authority. Our risk management approach is assured according to the Three Lines of Defence, which, along with a strong and sustained commitment at all levels of the organisation, contribute to our resilient, risk-aware culture.

First Line of Defence

All functions (Business Units and Group, including the Executive Committee) are responsible for managing risk through the identification, assessment and treatment of risks. This includes the implementation, active management and compliance with appropriate processes, procedures, checklists and other controls, and monitoring those controls to confirm they are, and remain, effective.

Second Line of Defence

Our Group Legal and Risk functions assist the First Line of Defence, develop our risk management framework, and adapt it to changes in the business and the external environment in which we operate (including physical and regulatory changes which might impact our social and environmental performance). They are jointly responsible for building risk management capabilities throughout the business through actively engaging with employees in risk management processes and supporting training initiatives. The Group Legal and Risk functions include:

- **Strategy** – providing advice to management and the Board on strategic risks.
- **Legal** – providing legal advice and support to management and the Board on legal risks including the provision of regulatory updates and the impact of those changes.
- **Corporate Risk and Assurance** – providing advice to management and the Board on significant risks, including leading Group-wide risk reviews. This includes supporting and advising on implementing appropriate risk management processes and controls, assessing internal controls, and managing the group insurance program. We keep our Board updated on key risks by discussing the key risks at each meeting of the Risk Committee.
- **Operational Risk** – providing advice and establishing frameworks for the management of operational risks, including developing and assuring systems and processes for risks relating to environment, Work Health and Safety (WHS), business continuity, and public and physical asset safety.
- **Compliance** – overseeing the operation and suitability of the compliance framework and its review and continuous improvement. Our Compliance function actively supports identifying and managing risks and opportunities, including those associated with regulatory changes. Key policies managed by Compliance include Conflict of Interest, Employee Property Purchase Policy, Escalation Policy, Policy Management, Whistleblowing and Third Party Due Diligence.

Third Line of Defence

Involves independent assurance and checking from:

- **Internal Audit** – which regularly and independently assesses the effectiveness and efficiency of our controls and provides periodic reporting. Audit actions and review recommendations are tracked and reported to our leadership team on a monthly basis with status reports submitted to the Audit Committee on a quarterly basis (at Audit Committee meetings). Our Group Risk team works with respective business units and key stakeholders to address the findings contained within audit reports.

Oversight

The Board and Risk Committee provide overall oversight of our risk management framework. The Risk Committee meets at least four times per year and receives quarterly reports on our enterprise risk register.

External Audit provides regular and independent assessment on the effectiveness of financial controls and processes in connection with preparing the Group's financial statements, governance disclosures and environmental and social performance reporting. External Audit also provides an opinion on the accuracy, validity and reliability of disclosed data and information.

Investment review procedure

As an investor of capital, we conduct risk assessments at critical decision points during the investment process to monitor the risks to our meeting of target returns. Making sound investment decisions is fundamental to our success and to creating long-term value for our stakeholders.

Investment decisions impact our capital allocation, cash flow, financing arrangements and also create a range of other risks and opportunities that we need to identify and manage carefully.

Our investment and divestment review procedure specifies that we obtain input from Group functions to highlight potential challenges that need to be considered and managed before making financial commitments and divestments.

Our Investment Committee reviews preliminary investment proposals very early in the acquisition/development life cycle. The preliminary proposal is assessed against the Group strategy, individual business unit strategies, tactical flexibility, financial commitments and the long-term forecast. The Investment Committee process aims to focus our scarce resources on the highest priority capital transactions.

The Investment Review Group (IRG), comprising representatives from our Group functions, reviews investment and divestment proposals later in the proposal's lifecycle, in addition to large real estate-related capital expenditure proposals. The IRG highlights issues for consideration that may not have been covered in the proposal as submitted, including environmental, legal, social and governance concerns as well as operational and financial considerations. Financial considerations include reviews against long-term forecast metrics such as funds from operations, forecast total return, earnings per security, debt to total tangible assets ratio, total liabilities to total tangible assets ratio, and recurring income ratio.

C. Review and evaluation of the management approach

We review and evaluate progress against governance and risk objectives as part of our annual reporting process.

In compliance with the Corporations Act 2001 (Cth) and the ASX Governance Recommendation 4.2, before approving the financial statements for a financial period, the Board receives a declaration from the CEO and Chief Financial Officer that, in their opinion:

- the financial records of the entity have been properly maintained;
- the financial statements comply with the appropriate standards and give a true and fair view of the financial position and performance of the entity; and
- the opinion has been formed based on a sound system of risk management and internal control that is operating effectively.

The Board oversees the Executive Committee's maintenance of a sound system of internal controls for the management of material business risks. In addition, comprehensive reports detailing material risks and progress against key actions / initiatives are provided to our Executive Committee and Risk Committee on a quarterly basis.

Internal Audit regularly and independently assesses the effectiveness and efficiency of internal controls and provides periodic reporting (at least quarterly to the Audit Committee).

In addition to our annual materiality process (detailed in our integrated Annual Report) and stakeholder engagement, our participation in investor surveys and voluntary reporting initiatives enables us to stay abreast of emerging issues and international best practice sustainability governance and to review, and evaluate our performance against industry and broader global benchmarks. We undertake a gap analysis each year against key criteria presented in key investor surveys and reporting frameworks and review our approach accordingly. We also undertake periodic reviews of trends and best practice with regard to sustainability management and endeavour to remain at the forefront of sustainability leadership in Australia.

D. Responsibilities

The table below describes key roles and responsibilities associated with our approach to governance and risk. Additional roles and responsibilities pertaining to risk management are outlined above in the Three Lines of Defence model.

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
Executive Committee	Supports the implementation of our governance and risk management approach
Group Risk Officer	Leadership of Group Risk team and establishment and management of our risk management framework, compliance framework and internal audit function
National Manager – Group Sustainability	Leadership of Sustainability team and establishment and management of our sustainability strategy implementation framework

E. Version control

Revision	Published	Owner	Changes
1	September 2018	Group Risk Officer General Manager Sustainability and Corporate Procurement	–
2	August 2019	Group Risk Office National Manager – Group Sustainability	Updated Stockland Executive Committee.
3	April 2020	National Manager – Group Sustainability	2020 Reporting update
4	May 2020	Group Risk Officer	Updated reference to Australia/New Zealand Risk Management Standard

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 Standards¹(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



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

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.

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.

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.

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

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

Our Management Approach to Stakeholder Engagement

A. Purpose

This document sets out our approach to engaging with our numerous and varied stakeholders. It should be read in conjunction with our deep dive reports and data packs, which comprise our sustainability reporting suite (available on our [website](#)), 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**.

Sound stakeholder engagement is important for developing and maintaining strong relationships that enable us to understand our stakeholders' unique needs, perceptions, and concerns.

Across our diverse business, we engage with stakeholders on important life decisions, whether it is deciding where to shop or work, buying a first home or an investment property, or deciding where to live in retirement. We practice open, honest, two-way communication and recognise the mutual benefits for both our business and our stakeholders that result from genuine engagement.

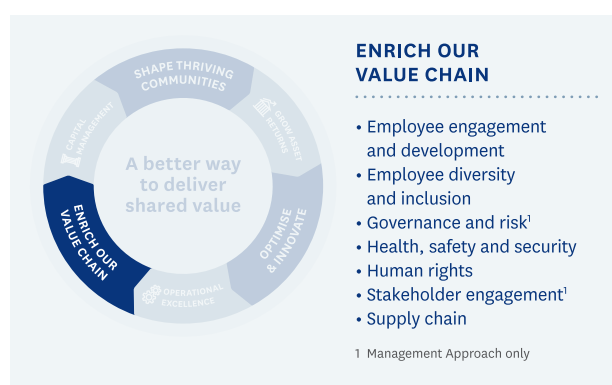
Our approach to stakeholder engagement encourages regular dialogue with:

- securityholders and the investment community through our Investor Relations team
- media through our Stakeholder Relations team
- governments and agencies at all levels through both our Stakeholder Relations team and our project and asset teams
- employees through various internal communication mechanisms
- customers and community partners through our Commercial Property and Communities businesses.



There is only a Stakeholder Engagement Management Approach, no associated Deep Dive. Annual stakeholder initiatives are reported in a number of other Deep Dives, including **Customer Engagement and Experience, Community, and Employee Engagement, Development, Diversity and Inclusion**.

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/>)

B. Management approach

B1. Stakeholder groups

We have identified seven key stakeholder groups that either have a significant impact on, or are significantly impacted by, our performance.

Our key stakeholders	How we engage
Employees <i>We have over 1,600 employees.</i>	<p>Our annual Our Voice employee survey measures employee engagement across the organisation. Employees are also provided with opportunities to provide feedback on specific issues throughout the year. Our intranet, stockXchange, is a key source of business news, activities and policies, and is updated each business day.</p> <p>Our annual employee roadshows provide an opportunity for our Executive Committee to interact with employees in each capital city where we operate and provide an update on our strategy and performance. Employees are able to ask questions anonymously or directly to our Executive Committee as part of these roadshows and throughout the year.</p> <p>Our Employee Town Hall meetings provide an opportunity for employees to be briefed on half-and full-year results. The Town Hall meetings are held at Stockland Head Office and are made available to employees across Australia via a live webcast. Employees are encouraged to submit questions to the Executive Committee to be addressed during the meetings. Our Managing Director and CEO also sends an email to all employees outlining the results.</p> <p>For more information on our engagement with employees refer to Our Management Approach to Employee Engagement and Development.</p>
Government and regulators <i>Federal, state and local governments set the regulatory environment in which we operate.</i>	<p>We engage regularly with all levels of government in New South Wales, Victoria, Queensland, Western Australia, South Australia and the Australian Capital Territory, both directly and through industry associations. We also engage with the federal government.</p>
Securityholders and the investment community <i>We have over 52,600 securityholders in Australia and overseas.</i>	<p>We provide investor briefings on our strategy and financial results. At our Annual General Meeting, security-holders can engage with our Board of Directors and are updated on our strategy and performance. Our management also meet regularly with institutional investors.</p> <p>For more information on our engagement with security-holders and investors see the Investor Relations update below.</p>
Customers <i>We have daily contact with a diverse range of customers, including commercial, retail and industrial tenants, shoppers in our retail centres, our residential community customers and residents and prospective residents in our retirement living communities.</i>	<p>We regularly seek feedback from customers through surveys and other research, and we incorporate feedback into our strategy, product design and service offerings.</p> <p>Customer Relations Management Systems are in place across all of our businesses to support regular, effective and responsive engagement with our customers.</p> <p>For more information on our engagement with our customers refer to Our Management Approach to Customer Engagement and Experience.</p>
Suppliers <i>We procure services and products from over 3,660 active suppliers with the top 100 suppliers representing approximately 75 per cent of our spend.</i>	<p>Spend associated with the development of our assets accounts for approximately 75 per cent of our annual direct procurement spend, with operational and corporate procurement each representing approximately 15 per cent of annual procured spend combined, and the remaining 10% for non-procurement activities such as tax.</p> <p>We actively monitor and engage with our suppliers. Our strategic suppliers (predominantly involved in the development and construction of our assets) are pre-qualified to confirm they have the capability and proven ability to meet general and project-specific sustainability and quality requirements. This involves an assessment of the occupational health and safety systems, financial viability, environmental, social and sustainability capabilities of suppliers.</p> <p>For more information on our engagement with suppliers see Our Management Approach to Supply Chain.</p>

Our key stakeholders

How we engage

Communities

The people who reside, work or engage in the areas where we operate.

Our engagement with communities includes community and consultation forums, one-on-one meetings with community groups and local leaders, as well as surveys and research.

For more information on our engagement with communities see [Our Management Approach to Community](#).

Media

We interact with journalists across a wide spectrum of local, regional, metropolitan and national print and electronic media outlets.

We regularly engage with the media to provide information about our business that supports clear and accurate reporting.

We aim to respond promptly to requests for information about our business activities.

B2. Stakeholder engagement approach framework

We have a well-established stakeholder engagement approach framework that informs the Stakeholder Relations function strategy together with the strategies of our operating businesses and their assets and development projects. This framework is based on five fundamental principles, endorsed by our Board and Executive Committee, which continue to guide our engagement with a wide variety of stakeholders:

- a proactive, harmonised approach across the business;
- early prioritised engagement with stakeholders to help build a clear project vision and identify key milestones;
- clear understanding of our stakeholders and their key drivers to build trust beyond the project;
- regular communications, recording and reporting; and
- capturing stakeholder trends across the business and externally to inform our future strategy.

Our Board and Executive Committee receive regular reports with updates on our engagement approach and emerging stakeholder issues or concerns. The Board receives these reports as per their meeting schedule, and the Executive Committee receives these reports monthly.

We have statewide stakeholder engagement strategies and asset and project-specific stakeholder engagement plans focused on understanding and responding to local issues. We review environmental and social impacts of key development projects and develop sustainability initiatives to enhance project outcomes.

At the start of every project, teams are required to identify key government and community stakeholders, the objectives of their engagement approach, and any issues that might impact on the project in the future. Based on this, project-level stakeholder engagement plans are developed based on the updated stakeholder engagement template. This is guided by our five fundamental principles and philosophy of proactive engagement. The development, implementation and monitoring of all plans is overseen by our Stakeholder Relations team, who are also responsible for facilitating the dissemination of lessons, trends and successful initiatives across the business.

The rest of this document focuses on our approach to engaging the investment community, the media, and government stakeholders. Finer detail on our management approaches related to other stakeholder groups are provided in separate documents:

- [Our Management Approach to Employee Engagement and Development](#)
- [Our Management Approach to Diversity and Inclusion](#)
- [Our Management Approach to Customer Engagement and Experience](#)
- [Our Management Approach to Community](#)

We have established responses to the typical issues faced at development sites and in the operation of our assets, including water management, waste, energy and efficiency, climate resilience, biodiversity, stakeholder engagement and health and safety. Further information on these issues and our approaches can be found on our [website](#).

B3. Investor relations

We have over 52,600 securityholders in Australia and overseas. We aim to keep all securityholders well informed of all major developments and business events that are material and price sensitive in accordance with Principle 5 and Principle 6 of the ASX Corporate Governance Principles and Recommendations. A copy of our Continuous Disclosure and External Communication Policy is available on our website.

We provide securityholders with information through our annual and half-year financial reports, our Annual General Meeting and announcements of market-sensitive and other information, including full-year and half-year results and quarterly updates. These documents are lodged with the Australian Securities Exchange (ASX) and are publicly available on our [website](#).

To support our retail securityholders having timely access to information we promote the use of electronic communication, providing alerts on major announcements for those with registered emails. We also participate in online interviews with brokers and our major announcements are published on our corporate Twitter account, @Stockland, and on our [website](#).

Over the last four years we have streamlined our financial accounts and provide more integrated reporting to enhance accessibility for all stakeholders.

All securityholders are encouraged to engage with senior management and our Board of Directors at our Annual General Meeting. Copies of addresses made by the Chairman and Managing Director and the minutes of the Annual General Meeting are lodged with the ASX and are publicly available on our website. Common agenda items voted on by securityholders at our Annual General Meeting include remuneration, and director elections.

We also communicate with the investment community via regular group and one-on-one management meetings, presentations by senior management, and by participating in domestic and offshore investor conferences and roadshows. Our market briefings are webcast over the internet.

In addition, the Chairman undertakes regular engagement with our key institutional investors and proxy advisors, including the Australian Shareholders' Association. This provides a useful forum for both the Board and our investors to remain informed on current market views, commercial developments and industry trends.

B4. Government and industry relations

We pride ourselves on a high level of professional and ethical engagement with all levels of government. We strive to be a trusted partner of government by implementing a consistent approach in our relations through the Board, Executive Committee and management. Led by our Government Relations team, we actively engage with governments, public servants, regulators and our industry bodies in relation to policy and specific projects.

This engagement is guided by a Board-endorsed government relations policy, which provides Stockland employees with clear guidance on what is expected of them when engaging with government. The policy is updated every two years or as required and communicated through a range of channels, including face-to-face briefings, the intranet and our website.

Our policy is to make no donations to politicians or political parties at any level of government. This policy has been in place since 1 July 2008. We expect that all of our projects are judged solely on their merits and it is important to us that our community stakeholders share this view.

We actively monitor legislative and regulatory change directly through our businesses and our Stakeholder Relations team, as well as via key industry bodies. We are an active member of Business Council of Australia, Green Building Council of Australia, Property Council of Australia, Shopping Centre Council of Australia, and Urban Development Institute of Australia, and they continue to be our primary representative bodies at both federal and state levels. We also engage with the Investor Group on Climate Change and participate as an Organisational Stakeholder in the Global Reporting Initiative.

B5. Media relations

We take a proactive media engagement approach, and regularly engage with media outlets at a national, state, regional and local level to communicate the strategic objectives of our business. We proactively engage with the media to communicate and respond to the issues that are important to our stakeholders, including our customers and the broader communities surrounding our assets

We distribute all major ASX announcements relating to major capital transactions, strategic partnerships and financial results updates directly to media, and we have a dedicated in-house team available 24/7 to respond to all media inquiries. We also host detailed briefings with business and property journalists as an integral part of our half- and full-year reporting cycles. We frequently host and participate in media events, industry speaking engagements and interviews to broker important news and updates about our business.

As part of our approach to community consultation, we also supply key facts relating to proposed or active developments to the appropriate media outlets for dissemination and consideration by the respective local communities in which we operate.

C. Review and evaluation of the management approach

We review and evaluate our progress against our stakeholder engagement commitments and priorities as part of our annual reporting process.

We review and refresh our stakeholder engagement planning on a monthly basis through executive reporting, where we capture and report on projects across the country from a stakeholder perspective. This tool enables us to monitor our projects, assess the effectiveness of engagement measures and in turn share effective practices and key learnings with the business. It also allows us to monitor feedback from a range of stakeholders representing government, public service, business partners, industry and the community on a regular basis.

At a project level, regular review of stakeholder objectives is undertaken through monthly project meetings and through lessons learnt discussions at state and interstate levels to share best practice throughout the business. These are detailed in project stakeholder plans and monitored via a project stakeholder database.

Media engagement is evaluated through monthly media analysis and reporting based on daily media monitoring. These services are provided by an external third party.

We commission an independent survey to measure and monitor institutional investor confidence in Stockland every six months. This study is conducted by an external third party.

D. Responsibilities

The table below describes key roles and responsibilities relating to delivery of our approach to stakeholder engagement. Stakeholder engagement is considered a fundamental and integral part of everyone's role at Stockland, and is one of the four core categories underpinning our Balanced Scorecard approach. As such, there are clear stakeholder engagement objectives, accountabilities, KPIs and capabilities defined for every role in the company.

Role	Responsibilities
Chief Financial Officer	Responsibility for stakeholder engagement at a Group level Reports directly to the Managing Director and CEO
Executive Committee	Supports the delivery of our stakeholder engagement approach
General Manager – Stakeholder Relations	Management of internal communications as well as the media and government relations functions within the organisation Reports directly to Chief Financial Officer
General Manager – Investor Relations	Management of investor relations and corporate communications

E. Version control

Revision	Date	Owner(s)	Changes
1	September 2018	General Manager Stakeholder Relations	
2	August 2019	General Manager Stakeholder Relations	
3	April 2020	General Manager Stakeholder Relations General Manager Investor Relations	

Our Management Approach to Supply Chain

A. Purpose

This document sets out our approach to managing our procurement and supply chain activities. It should be read in conjunction with our **Supply Chain Deep Dive** (available on our [website](#)), where we report on progress against supply chain 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**.

Every year, we partner with hundreds of suppliers that include construction contractors, operational consultants, and suppliers of office products. We work to build strong partnerships with our suppliers so that they are motivated to operate in a manner that is consistent with our values and standards by considering social, environmental and human rights-related factors in procurement decisions.

We are committed to responsible procurement and sustainable supply chain management. We recognise that having a sustainable supply chain is fundamental to having a sustainable business.



For more information our approach to managing our procurement and supply chain activities see our **Supply Chain Deep Dive**.

Stockland's Sustainability Strategy

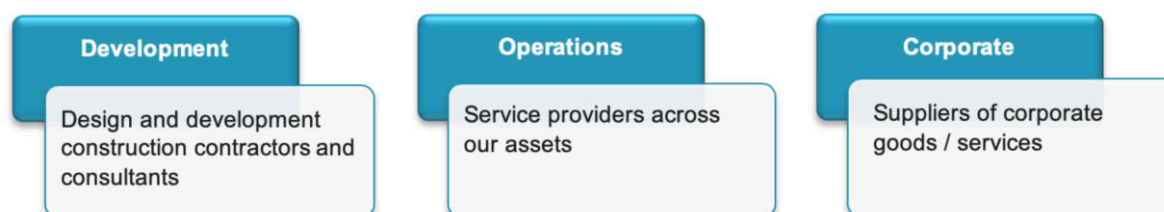


¹ The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (<https://www.globalreporting.org/standards/>)

B. Management approach

B1. Overview

We adopt a Group-wide strategic approach to managing our procurement and supply chain activities across our three key focus areas, which represent different aspects of our business, as outlined below. Direct procurement spend associated with the development of our assets accounts for approximately 75 per cent of our annual spend, with operational and corporate procurement representing approximately 15 per cent of annual procured spend combined, and the remaining 10 per cent for non-procurement activities like tax.



Supply chain framework

We work with a wide and varied range of suppliers and endeavour to build partnerships with suppliers that operate in a manner that is consistent with our values and standards. Our expectation is that our suppliers and their supply chain comply with Australian federal, state and local laws and regulations including but not limited to labour laws, environmental regulations and workplace health and safety standards. Where a supplier's operations occur outside Australia, our expectation is that our suppliers comply with legislation in the country(ies) of operation as well as the ten principles of the United Nations Global Compact.

Our supply chain framework outlines six key focus areas for our supply chain to help us deliver sustainable outcomes. This is supported by our policy **What Stockland Expects from its Suppliers**, which is available via our website.

Stockland supply chain framework

Governance & Management	Environmental Impact	Health, Safety & Quality
Stockland seeks to work with suppliers who are transparent and accountable in how they do business. This includes complying with all legislation and standards as well as acting ethically in all their dealings with us and in the marketplace.	Stockland believes every organisation has a responsibility to understand and manage their environmental impacts. As such, we seek to work with suppliers who have sustainable procurement practices and prioritise the use of sustainable materials.	Stockland provides a safe and healthy work environment. We implement high standards in health, safety and quality across our operations and expect the same standards from our suppliers.
Social Value	Human Rights	Innovation, Capability & Capacity
Stockland believes business can play a positive role in society. We encourage our suppliers to identify ways to positively contribute to the communities in which we operate.	Stockland respects and promotes safe, fair, diverse and inclusive workplaces. We seek to work with suppliers who have appropriate labour practices and consistent values. Reviews regarding modern slavery are discussed in Our Management Approach to Human Rights .	Stockland works collaboratively with industry partners and suppliers to achieve innovative and sustainable outcomes. We seek to work with suppliers who have proven capability and capacity to work collaboratively to achieve better outcomes.

We use the supply chain framework to hold suppliers accountable for demonstrating our values and we respond to any environmental, social, and labour practice risks or impacts identified. An example of our approach to upholding supplier performance can be found in the 'Contractor safety and performance' section of **Our Management Approach to Health, Safety and Security**.

Supply chain procurement

We procure goods and services from a diverse range of suppliers, with the main categories shown in the diagram below. In addition, we recognise that directly engaged suppliers often depend on products and services supplied by others, who in turn may depend on another level of suppliers, and so on. This means we engage a number of producers and service providers in addition to our immediate suppliers.

How we categorise suppliers

Building contractors (civil and built form)	Marketing and Advertising	Travel and accommodation
Design consultants (architects, engineers)	Utility providers	Legal
General consultants	Insurance	Real estate
Service providers (cleaning, security, waste)	Information technology	Human resources

We actively monitor and manage our suppliers by categorising suppliers by services provided as well as tiers based on annual spend. Our Tier 1 suppliers are classified as those that have a direct spend greater than \$5 million, with these suppliers predominantly being those involved in the development and construction of our assets. This process provides a means of identifying strategic business opportunities to influence sustainability within our supply chain, further mitigating risk and enhancing the quality of business and sustainability outcomes.

Our development spend is predominantly procured with Australian suppliers. Given the geographic spread of our projects across Australia, we encourage our suppliers to procure from local communities. On some of our larger projects, we have worked with the principal contractor to collect data on local procurement. While we do not have systems to report local procurement spend across all of our projects, we are committed to sourcing labour, goods, and services from local communities in which we operate.

Supplier management systems

We seek to work with suppliers who have demonstrated sustainability capability and have certified management systems, facilitating optimal sustainability outcomes in the delivery of our projects. All new critical suppliers are screened using labour practices criteria such as employment practices, health and safety practices, and history of incidents. See [Our Management Approach to Health, Safety and Security](#) for more information on contractor health and safety priorities and achievements.

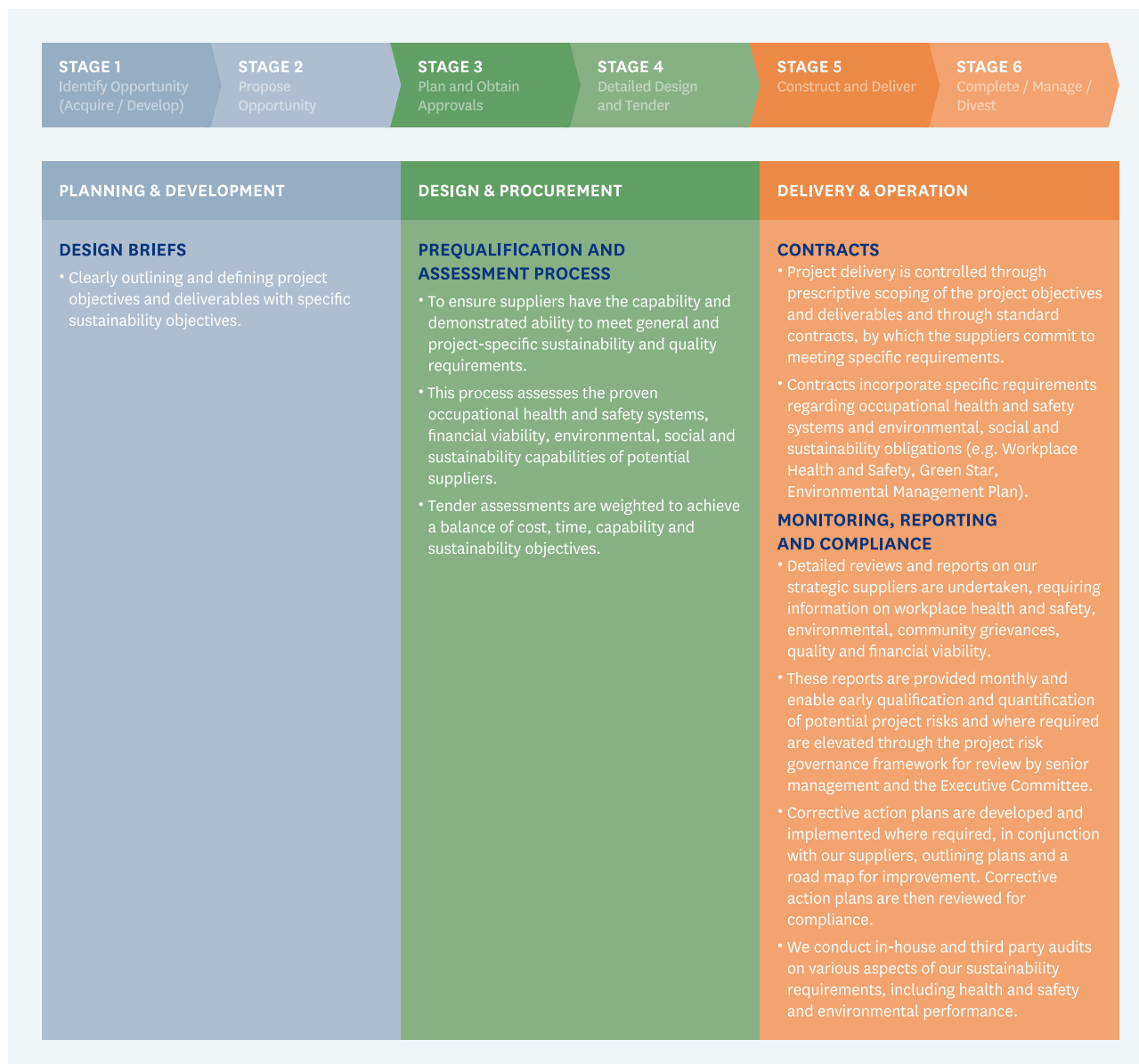
All of our contractors on projects seeking a Green Star rating with contracts over \$5 million (for Green Star Communities) or \$10 million (for Green Star Design & As Built) are required to have a valid ISO14001 Environmental Management System accreditation prior to and throughout the duration of the project contract.

Development projects D-Life process

Due to the inherently complex nature of property development, the large number of suppliers involved, and the diverse services, materials and equipment required to deliver large-scale developments, we apply our project life cycle process for development projects (D-Life), which covers the development life cycle from concept to completion.

D-Life identifies specific gates with critical control points, requiring approval before proceeding to the next phase of the project life cycle, enabling compliance and reducing risk. In addition, we set minimum sustainability, environmental and social requirements of our suppliers during the tender and project delivery processes, as outlined in the figure below.

D-LIFE VALUE CHAIN: Critical Control Points within the Project Life Cycle



C. Review and evaluation of the management approach

We review and report on our progress against annual procurement and supply chain priorities in our annual **Supply Chain Deep Dive**. In this reporting, we include:

- a status update and progress against our short, medium and long term 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.

To further evaluate the effectiveness of our management approach, we engage with industry bodies and incorporate best practice process and procedures across our business. We also consult external stakeholders to stay informed about current trends and material issues and regularly benchmark against our peers.

Through regular reporting of our progress to senior leadership teams and to our Board, we continually review our performance so that our approach remains relevant and effective.

We regularly identify opportunities to reduce capital and operational expenditure. The spend analysis also serves to inform our procurement strategy and enable the setting of tactical and strategic initiatives for the new financial year. Additional mechanisms for evaluating the effectiveness of our approach include our internal strategic review and the internal audit process within our broader risk management approach (see **Our Management Approach to Governance and Risk**).

D. Responsibilities

The table below describes roles and responsibilities associated with our approach to supply chain management.

Role	Responsibilities
Business unit CEOs, and Managing Director and CEO	Responsibility for procurement and supply chain management practices within their teams, business units and activities
Executive Committee	Supports the delivery of our approach to supply chain management
General Manager – Group Project Management and Direct Procurement	Owner of procurement processes and procedures on our development projects. Accountable for the execution of these policies within Project Management. Reports directly to Chief Investment Officer and indirectly to business unit CEOs
General Managers of Property Management (Retail Town Centre and Workplace), Logistics and Business Parks, and Operations (Retirement Living) supported by Procurement Manager, Asset Management & Operations	Oversight of supply chain and procurement activities related to operations of Commercial Property and Retirement Living assets Report directly to respective business unit CEOs
National Manager – Group Sustainability	Procurement activities in our indirect supply chain and procurement administration across the business Reports directly to Chief Financial Officer

E. Version control

Revision	Published	Owner(s)	Changes
1	September 2018	General Manager – Project Management and Direct Procurement General Manager – Sustainability and Corporate Procurement	
2	August 2019	General Manager – Group Project Management and Direct Procurement National Manager – Group Sustainability	
3	April 2020	General Manager – Group Project Management and Direct Procurement National Manager – Group Sustainability	Updated with modern slavery content

Community

Why this is important to Stockland

As one of Australia's largest diversified property groups, we are well placed to have a positive and lasting impact on the communities in which we operate. We believe there is a better way to live, which is our purpose, and our goal is to create and shape communities that thrive now and into the future. Our strategic contribution to our chosen community focus areas – Health and Wellbeing, Community Connection and Education – is coordinated through a combination of the following activities:

- **Community investment** – our employee volunteering and giving programs.
- **Community development** – projects and initiatives that enhance the communities at our assets.
- The **Stockland CARE Foundation** – our charitable trust, which delivers infrastructure, programs and initiatives to Australian communities.

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 Standards¹(Comprehensive); and is **third party assured**. The material in this Deep Dive is supported by a wider collection of performance metrics contained in our **Community Data Pack**.



This Deep Dive is to be read in conjunction with our published approach to human rights, available as part of our sustainability reporting suite at **Our Management Approach to Community**.

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/>)

Our key achievements

- Contributed over \$4.4 million to our communities across Australia.
- Stockland CARE Foundation launched a collaborative partnership with charity partners ReachOut, Redkite and R U OK?. Over the next three years this partnership aims to invest more than \$1 million as well as ongoing non-financial support in mental health programs to improve wellbeing in Australian communities, including Stockland customers, employees and their families.
- Pledged \$500,000 to six charitable organisations in response to the Black Summer Australian bushfires, shared between the Foundation for Rural and Regional Renewal, Foodbank Australia, the Foundation for National Parks and Wildlife, the NSW Farmers Association, the Business Council of Australia and Good360.
- Partnered with Youth Insearch to deliver a youth engagement program at Stockland Traralgon to support local disadvantaged youth. Twenty-six youths were engaged in the program, with a focus on building positive relationships and growing self-confidence.
- Achieved high wellbeing scores in our Residential and Retirement Living communities, with residents in our Residential communities achieving a Personal Wellbeing Index score of 78% and our Retirement Living residents achieving a Personal Wellbeing Index score of 83%, both above the national wellbeing average of 74.2–76.7.
- Evolved our partnership with The National Theatre for Children, delivering a year-long Battery Recycling Challenge program in 11 schools reaching almost 5,000 students, including collection and future measurement of batteries diverted from landfill.

Pledged

\$500k

in response to Black Summer bushfires

Contributed over

\$4.4m

to our communities across Australia

FY20 targets and progress

Shape thriving communities

Focus area	Target	FY20 progress	Status	Future priorities
Health and Wellbeing	CARE Foundation partnerships			
	Launch two new CARE Foundation National Strategic Partnerships in FY20 with a focus on mental health, in response to an employee survey that showed overwhelming support for such a focus.	<p>Stockland CARE Foundation launched ReachOut and R U OK? as our two new Foundation partners in October 2019, joining our existing partner Redkite in a collaborative partnership that aims to improve wellbeing in communities across Australia.</p> <p>Undertaken numerous initiatives including wellbeing webinars and communications to ensure our customers, residents and employees understand the importance of mental health and where to go for support.</p>	Achieved	<p>Conduct a collaborative research project with our national strategic CARE Foundation partners to help them develop a greater understanding of the community's health and wellbeing needs that can be addressed via their future strategic programs.</p> <p>Identify opportunities to promote R U OK?'s Indigenous 'Stronger Together' campaign across Stockland assets during NAIDOC Week 2020.</p> <p>Pilot R U OK? Day in one of our Workplace & Logistics assets in FY21.</p> <p>Conduct a nationwide digital campaign for R U OK? Day at our retail town centres to promote our CARE Foundation partner charity R U OK? and increase awareness of the importance of mental health.</p>
	Continue to evolve CARE Foundation activities from one major event in Foundation Fortnight to awareness activations at our assets year-round.	Worked with our new strategic partners ReachOut and R U OK? at Stockland assets to engage in mental health messaging through a variety of events throughout the year, particularly relevant in the COVID-19 pandemic.	Achieved	Undertake a national collaborative campaign for Mental Health Month in October 2020 to raise awareness of the importance of mental health in the community.
	Achieve greater than 90 per cent employee awareness of Foundation partners by FY20.	<p>All new employees undertake training as part of their induction on the CARE Foundation, its partners and activities.</p> <p>Annual employee surveys are held at the end of Foundation Fortnight each year to gauge employee participation and</p>	Achieved	With employee awareness of the CARE Foundation high due to the embedding of partner materials during the last six months. Focus will be on a communications strategy using the partners to address mental wellbeing initiatives going forward.

Shape thriving communities

Focus area	Target	FY20 progress	Status	Future priorities
Health and Wellbeing	Resident and customer Personal Wellbeing			
	Participants in Heart Foundation Walking at our retail town centres to have a Personal Wellbeing Index score above the Australian national average by the end of FY20.	The Heart Foundation altered the methodology of this year's wellbeing survey to include residential and retirement living community members involved in walking groups. As a result, we are unable to report the Personal Wellbeing Index score for FY20 Heart Foundation walkers specific to our retail portfolio.	Not Applicable	As part of the 2030 Sustainability Strategy review, we will be identifying relevant health and wellbeing indicators in line with this strategy.
	Achieve resident Personal Wellbeing Index score across our residential communities above the national average (as measured by Deakin University) in FY20.	Achieved an average resident Personal Wellbeing Index score of 78% in FY20 (measured across 18 residential communities), above the Australian national average range of 74.2–76.7 per cent.	Achieved	Maintain a resident Personal Wellbeing Index score above the Australian national average.
	Maintain the wellbeing of retirement living residents above the Personal Wellbeing Index national average through FY20.	Achieved an average retirement living resident Personal Wellbeing Index score of 83% in FY20, well above the Australian national average range of 74.2–76.7 per cent.	Achieved	Maintain a retirement living resident Personal Wellbeing Index score above the Australian national average.
	National wellbeing partnerships			
	Expand the Jamie's Ministry of Food Learn Your Fruit and Veg school holiday program across our retail town centres during FY20 to engage children on healthy eating.	Conducted two Jamie's Ministry of Food Learn Your Fruit and Veg school holiday programs at Stockland Balgowlah (NSW) and Burleigh Heads (Qld). A further two scheduled programs were cancelled due to COVID-19.	Achieved	Deliver a five-week online health and wellbeing cooking program to 100 retirement living residents.
	Deliver the Jamie's Ministry of Food seven-week community outreach cooking and nutrition program across three retirement living communities in FY20.	Delivered Jamie's Ministry of Food programs at Somerton Park (SA), Donvale and Templestowe (Vic), educating 120 residents and customers. Delivered an online five-week program across villages in Victoria, with 30 residents participating from 10 villages.	Achieved	Deliver the Jamie's Ministry of Food seven-week community outreach cooking and nutrition program at Highlands retirement living community in FY21. Deliver the Jamie's Ministry of Food five-week online program in FY21 across 29 NSW and QLD retirement living communities.
	Continue to deliver Bowls Australia Coaching Clinics at 10 retirement living communities during FY20 to encourage physical activity and improved health and wellbeing.	Scheduled 26 clinics across 14 villages. While we were on track to deliver all of these clinics, the majority were cancelled due to COVID-19. Three clinics were delivered at Cameron Close (VIC), The Lakes Estate (VIC) and The Grange (SA).	In progress	Deliver Bowls Australia coaching clinics to at least 20 retirement living communities in FY21.

Shape thriving communities

Focus area	Target	FY20 progress	Status	Future priorities
Community Connection	Employee community giving and volunteering			
	Achieve a volunteering rate of 50 per cent by FY20.	Volunteering targets were progressing well for the year against our target, with a 29% volunteering rate achieved as at 31 March 2020. At this rate, it would have been a stretch to meet a 50% volunteering rate by 30 June 2020. In addition, the large majority of volunteering activities from March to June 2020 were either cancelled or postponed indefinitely due to COVID-19, resulting in a volunteering rate for FY20 of 30%.	Not achieved	FY21 onwards will see new targets focusing on embedding more skilled volunteering opportunities to achieve greater social impact rather than focussing on percentage rates.
	Encourage workplace giving contributions from 25 per cent of employees by FY20	Achieved a participation rate of 29.4%. Implemented peer-to-peer fundraising platform allowing increased accessibility along with continuous campaigns and promotions throughout the year.	Achieved	Deliver two strategic workplace giving campaigns aligned to key calendar events.
	Community Development and Place-making			
	Roll-out a Community Development toolkit in FY20 to provide tools and resources for teams to effectively respond to community requirements and meet resident needs, using the Liveability Index framework to measure impact.	Developed and tested a Community Development toolkit along with a liveability interactive dashboard, allowing community teams to use liveability and community needs data in business planning and decision making.	In progress	Roll-out Community Development toolkit. Review applicability of scaling Community Development toolkit across other asset classes. Develop a Community Impact Valuation Tool to quantify social value created through place-making.
	Deliver Neighbourhood Watch programs in at least two new residential communities in FY20 to enhance the levels of community connection and safety in our communities.	Delivered community sessions at Cloverton (Vic) and Waterlea (Vic) on how to set up a Neighbourhood Watch group.	Achieved	Deliver Neighbourhood Watch programs in at least two new residential communities in FY21. Deliver Neighbourhood Watch programs for seniors at two retirement living villages in FY21, including e-safety digital training.
	Pilot an innovation start up project in FY20 at Elara (NSW) with Paper Plain, which has developed a platform for facilitating community hub management and engagement opportunities for residents.	Conducted a seven-month pilot program with a mobile events tool resulting in 201 Elara residents using the mobile event and booking tool to create 22 events, providing an opportunity to meet and engage in activities of interest.	Achieved	Continue to offer the platform to Elara residents on a month-to-month basis.
	Deliver targeted initiatives to address crime and anti-social behaviour of youth at our retail town centres during FY20.	Delivered a 12-month program with Youth Insearch at Stockland Traralgon (Vic) to engage 26 local youths from disadvantaged backgrounds through weekend workshops, in centre group support sessions and weekly virtual support held online during COVID-19.	Achieved	Share research and knowledge provided by our CARE Foundation partner ReachOut around youth disengagement and identify potential opportunities to work together in FY21.

Shape thriving communities

Focus area	Target	FY20 progress	Status	Future priorities
Community Connection	Training and employment			
	Expand the coverage of Retail Ready training programs to at least two more retail town centres in FY20 through our relationship with the Australian Retailers Association to train local residents and provide them with retail employment skills and improved employment prospects.	<p>Delivered the Retail Ready program at Stockland Shellharbour (NSW), Nowra (NSW) and Baringa (Qld).</p> <p>Hosted a job fair with the program at Shellharbour and Nowra and a job expo at Stockland Hervey Bay (Qld) and Stockland Bundaberg (Qld).</p> <p>The programs resulted in 11 ongoing job placements in Queensland and four in NSW (an additional three job placements in NSW were unable to continue due to permanent store closure during COVID-19).</p>	Achieved	Expand the coverage of Retail Ready training programs to at least two more retail town centres in FY21.
Education	Sustainability education			
	Pilot a Compost Revolution program to residents across four communities in FY20 to educate residents on the benefits of composting and to improve diversion from landfill in Stockland's communities.	Pilot was deferred until FY21 to allow finalisation of the arrangements with Compost Revolution.	Not Achieved	<p>Pilot a Compost Revolution program to residents across four communities in FY21 to educate residents on the benefits of composting and to improve diversion from landfill in Stockland's communities.</p> <p>Implement the Compost Revolution education program to residents across an additional four communities in FY21.</p>
	Pilot a sustainability education workshop with Conservation Volunteers Australia across two retirement living communities in FY20 to raise awareness of sustainability.	<p>Held a workshop with 25 residents at Selandra Rise (Vic) to make seed bombs to spread plants in bare spots, creating pockets of beauty and habitats for pollinators.</p> <p>A second workshop was put on hold due to COVID-19.</p>	In progress	Deliver sustainability education workshops with Conservation Volunteers Australia across two retirement living communities in FY21.
	Deliver the ABCN Spark Program at two retirement living communities in FY20 to encourage residents and village management teams to volunteer at local schools to support early childhood reading programs and provide positive engagement opportunities for residents.	<p>Delivered the program with Lightsview Village and Ridgehaven Rise (SA) and Para Hills Primary School in September 2019.</p> <p>An additional program planned for May 2020 at these two villages was delayed due to COVID-19.</p>	Achieved	Deliver the ABCN Spark Program at two retirement living communities in FY21.
	Deliver student education program focused on sustainability.	Delivered a year-long National Theatre for Children Battery Recycling Challenge program in 11 schools reaching almost 5,000 students, including collection and future measurement of batteries diverted from landfill.	Achieved	<p>Deliver the National Theatre for Children Battery Recycling Challenge to 15 communities in FY21 through schools and community events.</p> <p>Pilot the Battery Recycling Challenge with one to two retirement living villages in FY21 to encourage battery recycling and collection.</p>

Additional targets relating to our Reconciliation Action Plan and our work across accessibility, including our commitment to delivering inclusive playspaces and ensuring our Retail Town Centres meet the needs of all shoppers, can be found in our **Human Rights Deep Dive**.

FY20 performance and case studies

Community contribution overview

The table below provides an overview of our community contributions. In FY20 we invested over \$4.4 million through our community development, community investment programs and the Stockland CARE Foundation, as verified by London Benchmarking Group.¹

Our community development spend is lower for FY20 than in previous years largely due to a change in our reporting coverage. The COVID-19 pandemic has impacted our business in several ways. During this time, Stockland's focus has been on supporting our people, customers, residents and tenants. One of the ways we wanted to support our people (working at our assets) was to reduce the reporting burden and provide them with the time and resources needed to focus on managing our COVID-19 response. As a result, this year we have not collected community development spend data by our assets and communities and have only reported on the community investment spend driven by Stockland's head office. This has included initiatives led through the CARE Foundation, our spend with national community partners, our community investment spend and our response to the COVID-19 pandemic. Additionally, many of our community activations from March onwards were unable to be held due to COVID-19. In some cases they were conducted virtually. Examples include the pivoting of our face-to-face community programs with both Jamie's Ministry of Food and Live Life Get Active to online classes for our residents and customers. Looking forward, we are exploring alternative ways to deliver community development programs and collate investment and impact data in light of the new and evolving context.

A further breakdown of these contributions by category is provided in our [Community Data Pack](#).

Community Contribution category	Definition	Contribution				
		FY20	FY19	FY18	FY17	FY16
Community Development	Includes financial contributions to national community development partners and local community organisations located in a community where we operate. ¹	\$1,728,519	\$4,840,339	\$4,734,707	\$3,313,135	\$4,052,189
Community Investment	Includes workplace giving donations matched by Stockland, ad hoc community donations made on behalf of Stockland, in-kind donations of non-financial goods (e.g. land), financial support for the delivery of volunteering opportunities for our employees, employee volunteering hours, and contributions to CARE Foundation Partners Redkite, R U OK? and ReachOut.	\$1,448,191	\$1,177,423	\$1,222,587 ²	\$1,869,313 ³	\$5,708,666
Management costs	Includes costs associated with the management and delivery of Stockland's community programs including average salaries, costs associated with the development, design and assistance of the Stockland sustainability report, and training for community resources.	\$1,069,966	\$1,393,159	\$982,704	\$856,205	\$659,973
Total community contribution		\$4,246,676	\$7,410,921	\$6,939,998	\$6,038,651	\$10,420,828

¹ As outlined above, we have excluded spend on community development initiatives that have been managed and paid for by our residential communities, retail town centres and retirement living communities to minimise the impact on our asset teams, so they could focus on supporting our customers, residents and tenants during the COVID-19 pandemic. Some community programs run at assets are funded by Stockland's head office and have been included in the FY20 community development spend.

² This amount decreased in FY18 as we included employee donations and partner and asset fundraising in FY17. These amounts are now reported separately under Stakeholder Contributions as described later in this document.

³ The total of \$1.8 million is a decrease on FY15 and FY16 because these two years included a payment of \$4,000,000 as an initial investment in the Stockland CARE Foundation. The CARE Foundation made partner payments of \$200,000 annually commencing in FY16. Our Community Data Pack contains a breakdown of community investment by category.

In addition to the items outlined above, we also facilitate community contributions through our stakeholders and through the provision of space, bringing our total community contribution to \$4,429,724. More detail on these community contributions is provided in the Community Investment section of this document below.

¹ There is a slight variance (less than 0.1%) on this amount and the amount included in London Benchmarking Group's verification statement, which can be attributed to rounding limitations with their system.

CASE STUDY

SUPPORTING OUR COMMUNITY IN A TIME OF CRISIS

The scale and magnitude of the ‘Black Summer’ bushfire crisis across Australia was unprecedented. The fires that caused such widespread devastation impacted a number of Stockland’s retail town centres and retirement living villages across NSW, Victoria, South Australia and the Australian Capital Territory. In line with our values and our desire to create thriving communities, Stockland employees were quick to respond to help those in need.

We pledged a cash contribution of \$500,000 to support the long-term rebuilding and resilience of communities, which will be shared between the Foundation for Regional and Rural Renewal (FRRR), Foodbank Australia, Good360, the Foundation for National Parks & Wildlife (FNPW), the Business Council of Australia (Community Rebuilding Trust) and the NSW Farmers Association (NSWFA). These organisations were chosen due to their dual focus on immediate disaster relief programs and ongoing rebuilding efforts, and their ability to fund programs that will directly benefit bushfire-impacted communities.

We also donated \$20,000 to the NSW Rural Fire Service and QLD Rural Fire Brigade to support the relief efforts before Christmas 2019 and \$35,000 to the FRRR for its ongoing drought relief program, and Stockland employees raised over \$14,500 before matching through our workplace giving program.

In addition to cash donations, our employees reached out to offer whatever practical support was needed in their local communities, and our retail town centres provided much-needed resources and support for local fire-fighting teams.

Stockland Nowra stayed open to assist travellers and local Shoalhaven customers who were trapped because of road closures. On New Year’s Eve over 40 people sought refuge from the fires, including local resident Perry Tsang and his family who later posted a thank you to the Nowra centre management team on Facebook: “Penelope and her team of security guards kept the doors open for us, lifted and shifted centre couches around, and even came around with supplies of water/fruit/snacks. We are truly thankful for the goodness in humanity during the crisis,” he said.



Stockland Rockhampton partnered with Anaconda to provide six marquees to be used as temporary fire stations for volunteer rural fire-fighters, while the centre management team collected snack pack items from local retailers for fire-fighting crews working 18-20 hour shifts. Elysia Billingham, Centre Manager, said she was “extremely proud to be able to support our community during this emergency” and that her team will continue to do so “whenever the Rockhampton community need us most.”

Stockland Forster made a vacant shop available for the Lions Club to promote donations and food drop-offs for drought-affected farmers and bushfire victims. Along with non-perishable food, over \$2,500 was donated by the local community.

We also witnessed village residents supporting their local communities through fundraising. When residents from our Greenleaves retirement village (Qld) heard that the local Ramsay Pharmacy was raising money for The Rescue Collective, they decided to join the cause. The village held a fundraising dinner with the local community generously donating a variety of goods and services to be auctioned. A total of \$2,200 was raised on the night to buy medical supplies for wildlife injured in the bushfires. Other retirement villages raised funds to support their local RFS and community groups, with residents from our Lourdes village (NSW) raising over \$5,000 and Selandra Rise (Vic) residents raising over \$6,000.

Our Golden Ponds retirement village (NSW) made a rather memorable contribution to fire-fighting efforts. With so much water needed to fight the fires around Foster, Anne Bowd, Administration Manager from Golden Ponds, said she was delighted to see the RFS helicopter filling up using water from our ponds.

Community development

The community development initiatives reported in FY20 encompass community development initiatives and programs led by our national community partners, CARE grants and CARE Foundation activities. All relevant community data for FY20 sits within our Community Data Pack.

Our community development activities and partnerships

Many of our community development activities are delivered with the assistance of our community partners. This table summarises outcomes and highlights across our partnerships. More detail on these partnerships can be found in our **Community Data Pack**.

Our community partnerships and their impact

Community partner	Description	FY20 Impact Highlight
Heart Foundation	Walking groups that promote physical activity, emotional wellbeing and community connection held in and around Stockland retail town centres, residential and retirement living communities.	<ul style="list-style-type: none"> 33 active weekly walking groups across 16 retail town centres, 16 retirement living villages and one residential community 1,443 walkers with 1,177 walking in and around retail town centres, 258 in retirement living villages and eight in residential communities 93% of Stockland walking group participants felt that Heart Foundation Walking had improved their overall health
Big Issue	An independent, not-for-profit organisation dedicated to supporting and creating work opportunities for homeless, marginalised and disadvantaged people.	<ul style="list-style-type: none"> Participants of the Community Street Soccer Program engaged in a safe and non-threatening environment to promote health, wellbeing and social inclusion Reinforced the message that the community cares about people who are doing it tough and working to improve their lives
Bowls Australia	Active lifestyle, learning opportunities and community connection through coaching clinics and master classes, along with health and wellness information sessions.	<ul style="list-style-type: none"> Five Jackaroo and Community Coach Clinics 100% of survey respondents reported learning new bowling skills and techniques (Lakes Estate clinic) Five Men's Health Week videos shared across retirement living villages 100% of respondents felt more connected to their friends and community on the day (Lakes Estate clinic) Piloted 'Roll Back the Clock' four-week health and wellbeing program in SA
Jamie's Ministry of Food	Provides healthy eating and good nutrition hands-on education programs and cooking schools through Community Outreach programs, Mobile Kitchen programs, localised cooking demonstrations and Learn Your Fruit and Veg programs.	<ul style="list-style-type: none"> 1,281 participants across all programs Conducted a six-week outreach program at seven retirement living villages across Vic, QLD and SA, attended by 58 residents 327 children participated in the Learn Your Fruit and Veg program at two retail town centres
Live Life Get Active	Weekly community fitness classes provided free of charge to local Stockland residential communities.	<ul style="list-style-type: none"> 7,956 residents from the direct and surrounding suburbs engaged across 16 locations 8,302 hours of outdoor activity Participants' health and wellbeing improvements include 7,956 kilograms lost and 10,427 centimetres lost from around the waists of members
Redkite	Provides essential support to children and young people with cancer (up to the age of 18).	<ul style="list-style-type: none"> As a result of Stockland's funding, Redkite was able to provide practical and/or emotional support services to 72 families at different stages of their child's cancer journey. Among all the individuals and families supported, 82% felt more equipped to support their family
ReachOut Australia	ReachOut is an online mental health organisation for young people and their parents. It is free and available 24/7 for any young person who needs support with their mental health and wellbeing.	<ul style="list-style-type: none"> Over 100,000 views through on-demand webinar with ReachOut CEO Ashley de Silva, containing tips and information for teenagers and their parents during COVID-19 Included a co-branded Stockland CARE Foundation/ReachOut postcard, with five tips for feeling good about yourself, in 10,000 emergency food boxes distributed to disadvantaged families

Community partner	Description	FY20 Impact Highlight
R U OK?	R U OK? is a public education charity whose vision is a world where we're all connected and are protected from suicide. The R U OK? mission is to inspire and empower everyone to meaningfully connect with people around them and support anyone struggling with life.	<ul style="list-style-type: none"> Over 10,000 R U OK? connection postcards delivered to our retirement living residents encouraging them to connect with their neighbours, and over 25,000 impressions on social posts Focusing on mental health and raising awareness through R U OK? Day has created more connected communities around our retail centres National employee live webinar in collaboration with ReachOut advising employees on how to stay connected and having conversations with their colleagues, families and friends
Conservation Volunteers Australia (CVA)	Supported volunteering for Stockland employees to take part in conservation programs across Australia.	<ul style="list-style-type: none"> Improvement of critical habitat for the endangered Carnaby's Cockatoo Working with CVA to bring programs into our asset base e.g. seed bomb programs in retirement living villages
Australian Business and Community Network (ABCN)	Provides Stockland employees with opportunities to provide facilitated mentoring in high needs schools around Australia.	<ul style="list-style-type: none"> 343 students from 26 ABCN schools benefitted from mentoring by Stockland employees Stockland supported 10 ABCN Accelerate scholars
The National Theatre for Children	Student education program focused on sustainability, offering students hands-on in-class education and online resources tied together with a live performance.	<ul style="list-style-type: none"> 5,657 primary school students from 11 primary schools attended live i-school or virtual online educational performances 277 battery recycling buckets provided to participating schools 5,745 primary students participated in Science Expos across 21 schools, with 347 teachers and 2,894 parents, grandparents and siblings also attending

CARE Grants Program

Stockland CARE Grants is an annual program held across our retail town centre, retirement living and residential portfolios to provide local organisations with the opportunity to help create more cohesive, inclusive and engaging community-based programs.

In May 2020 we awarded over \$276,000 to local community groups as Stockland CARE grants. The program, now in its seventh year, has supported grassroots community development by awarding over \$1.75 million to 1,267 community groups since its inception. From a shared value perspective, Stockland receives positive media coverage and social content related to our community grants program. This coverage provides visibility of the reach of the program and further raises awareness of both the CARE grants and the recipients in our communities.

CASE STUDY

CREATIVE ADAPTABILITY IN A TIME OF CRISIS – COVID-19

Gathering together as a community is an essential part of belonging and is important for maintaining positive social relationships, morale and mental health. That's why many of our Stockland community partnerships and programs are designed to bring people together to socialise, exercise and learn. However, the COVID-19 pandemic and its related physical distancing restrictions has challenged all of us to think more broadly about how we can maintain the benefits of connection, along with staying safe.

At Stockland we have worked hard with our community partners to deliver a number of our face-to-face health and wellbeing programs virtually. Jamie's Ministry of Food has provided online cooking classes to our retirement village residents, while Live Life Get Active has provided access to online fitness training, nutrition plans and virtual coaching, helping our residents stay as healthy as possible.

The Stockland CARE Foundation strategic partners, Redkite, ReachOut and R U OK?, have provided numerous communications to our employees, customers and residents on maintaining good mental health and wellbeing throughout the pandemic. Belong, our new online meeting place for retail customers, features wellbeing content from all three Foundation partners. We sent out over 9,000 R U OK? connection postcards to our retirement living residents, and included tips for wellbeing and reducing loneliness in our national retirement living newsletters. We also co-funded 10,000 emergency food boxes to be distributed to disadvantaged families by food charity Eat Up, with an insert for young people from ReachOut on how to look after yourself during this period.

We have also supported our employees as they adapt to the challenges of working from home and staying safe while working at our front line assets. Throughout April we ran a '30 Days of Wellbeing' campaign that shared advice on exercising at home, keeping children entertained and how to manage stress and anxiety. In May, over 300 employees attended an organisation-wide webinar facilitated by R U OK? and ReachOut to discuss the various effects of the pandemic on mental health and what we can all do to keep ourselves mentally well and connected.

While the COVID-19 pandemic necessitated many changes to planned programs and initiatives, we have been delighted by the creativity and determination of our team and our partners to continue to support the health and wellbeing of all our communities, from our own employees to the communities in our residential and retirement villages. Throughout this time of meeting immediate needs, we have maintained our focus on the long term. We are already planning how we can work alongside our partners to best support the recovery and rebuilding of the many communities where we operate, including through important awareness raising initiatives such as R U OK? Day in September and Mental Health Month in October.



Community investment

Giving

In FY20 our employees donated \$121,504.68¹ to more than 140 individual charities. Stockland matched 96% of these donations via our workplace giving program to a total of \$116,436.87. Over the year, 29.4 per cent of employees participated in our workplace giving program, exceeding our FY20 community investment target of 25 per cent.

Volunteering

Following a review of our volunteering opportunities, we diversified and increased the number of volunteering activities provided to employees and recorded an increase in the uptake of skilled volunteering.

Volunteering targets were progressing well for the year against our target, with a 29% volunteering rate achieved as at 31 March 2020. At this rate, it would have been a stretch to meet a 50% volunteering rate by 30 June 2020. In addition, the large majority of volunteering activities from March to June 2020 were either cancelled or postponed indefinitely due to COVID-19, resulting in a volunteering rate for FY20 of 30%.

In FY20, 488 employees contributed over 3,479 hours to support the communities where we operate, including participation in team volunteering days, student mentoring and the use of personal volunteering leave. 125 employees volunteered in a student mentoring program via our partnership with the Australian Business and Community Network (ABCN). Stockland continues to work closely with ABCN in funding Indigenous scholarships and matching with mentors. In FY20 we funded an additional two Indigenous scholarships. More information on our Indigenous scholarship program is in our [Human Rights Deep Dive](#).

Stockland CARE Foundation

Following an extensive review and employee engagement survey, the Stockland CARE Foundation launched a collaborative partnership in October 2019 with two mental health organisations ReachOut Australia and R U OK? to join our current charity partner Redkite. The Stockland CARE Foundation aims to invest more than \$1 million and ongoing non-financial support over the next three years, supporting mental health programs to improve wellbeing in Australian communities.

Supported by our state employee volunteer committees, our employees ran numerous events, fundraisers and volunteering activities throughout FY20. Some of the highlights of the year included:

- Foundation Fortnight, a concentrated two-week period of targeted events and activations to promote awareness and raise funds for our Stockland CARE Foundation and its partners.
- Participation of 28 retirement living communities in CARE Family Day, an increase on the 19 villages that participated in FY19. Family Day provides an opportunity to raise awareness about the CARE Foundation and its charity partners in a fun environment involving activities such as face painting, petting zoos, craft tables, treasure hunts, and food and drink.
- Strategically using our partners R U OK? and ReachOut to get messaging to our communities on staying connected and mentally strong, and where to go for relevant information during COVID-19.
- Over 390 employees attended a wellbeing webinar on how to check in with those around you and have meaningful conversations relating to mental health.
- Celebrating a five-year partnership and over \$1 million investment in supporting Redkite to provide a full suite of programs and services, including emotional, practical and financial support services to over 400 families.

¹ Of this total, \$117,873.53 was donated via workplace giving, of which \$116,436.87 was matched. Any difference not matched was due to the employee matching cap of \$5,000 per person being exceeded. The remaining \$3,631.15 was donated through direct cash donations and gift vouchers and were not eligible to be matched.

CASE STUDY

STRENGTHENING COMMUNITIES THROUGH THE POWER OF PARTNERSHIP

At Stockland we believe we can positively change the way people and communities thrive. The Stockland CARE Foundation was established to support charity organisations that can help Stockland deliver on our aspiration to improve the health, wellbeing and education of Australian communities.

In October 2019, the Stockland CARE Foundation established a collaborative partnership between our three charity partners ReachOut, Redkite and R U OK? with the common goal to improve the wellbeing of communities across Australia. Through this partnership we will seek to empower our communities to build the essential skills, resources and networks to support each other towards a better way to live.

This collaborative partnership sees the four organisations come together as a ‘community of practice’ to share resources, tools and challenges and build a culture of continuous learning and improvement. We have already held workshops to agree partnership principles and think innovatively about how we will work together and share knowledge to maximise our joint overall impact.

Given the massive social disruption caused by COVID-19, the establishment of this new collaborative partnership has been timely and fortunate. It is more important now than ever before to support and strengthen our shared communities. Over the next three years, the CARE Foundation will invest more than \$1 million and ongoing non-financial support in our Foundation partners, to help raise awareness and support for mental health programs in Australian communities, which will help communities recover and rebuild for the future. Mental health and wellbeing was chosen by an overwhelming majority of Stockland employees as the key focus area for the CARE Foundation.



Customer Engagement and Experience

Why this is important to Stockland

Understanding and responding to our customers' changing needs and improving the customer experience is critical to the sustainability of our business and the ongoing relevance and reputation of our brand, products and services.

Our commitment to customer engagement is consistent across our diverse customer base, which includes:

- the people who live in our residential communities;
- the people who live in our retirement living communities;
- the people who may potentially live in our residential and retirement living communities;
- shoppers and retailers in our Retail Town Centres; and
- Workplace, Logistics and Business Park tenants across our commercial assets.

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 Standards¹(Comprehensive); and is **third party assured**.



This Deep Dive is to be read in conjunction with our published approach to customer engagement and experience, available as part of our sustainability reporting suite at **Our Management Approach to Customer Engagement and Experience**. Please note that investor and broader community engagement activities are detailed in **Our Management Approach to Stakeholder Engagement**, **Our Management Approach to Community** and our **Community Deep Dive**.

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/>)

Our key achievements

- Delivered ~2% of FFO through 39 customer-orientated innovation initiatives across the business.
- Continued our focus on becoming a customer-centric organisation focused on maximising customer satisfaction across all business units, implementing strategy to exceed customer expectations and maximising commercial outcomes.
- Further unlocked the value of customer experience by better understanding the commercial value of innovative ideas to improve the customer experience.
- Mapped the end-to-end customer journey in our Communities business and overlaid years of survey results and behavioural insights.
- Developed C-Life segmentation, a bespoke segmentation tool allowing the business to better understand customer profiles, needs and values early in the development journey.
- Piloted three PropTech start-ups built during Stockland Accelerator at our residential and commercial assets.
- Invested in two promising PropTech start-ups: Yodel, a communication and workplace management platform; and Bricklet, a platform that makes property investment more accessible by breaking up a property into smaller units called 'bricklets' which can then be bought individually by investors.
- Exceeded performance targets in FY20 across the following customer groups:
 - Achieved an 80 per cent retail tenant satisfaction score
 - Achieved the highest level of Retirement Living resident satisfaction in the last five years with 92 per cent of residents rating their overall happiness between 7 and 10.

Retail tenant satisfaction

80%

Target 77%

Retirement Living satisfaction

92%

Residential communities resident satisfaction

91%

Retail shopper satisfaction

80%

Target 80%

FY20 targets and progress

Shape thriving communities

Focus Area	Target	FY20 progress	Status	Future priorities
Tenant satisfaction	Achieve retail tenant satisfaction of 77 per cent in FY20	80% retailer satisfaction score	Achieved	Achieve retailer satisfaction of 75 per cent in FY21
	Achieve tenant satisfaction amongst Logistics, Business Parks and Workplace tenants of 80 per cent in FY20	In light of COVID-19, we deferred our annual satisfaction survey typically launched in March of the financial year.	N/A	Achieve tenant satisfaction amongst Workplace and Logistics tenants of 80 per cent in FY21
Shopper satisfaction	Achieve retail shopper satisfaction of 80 per cent in FY20	80% shopper satisfaction score	Achieved	Maintain shopper satisfaction score of 80 per cent in FY21
Residential customer satisfaction	Achieve prospective resident satisfaction score (Lead and Opportunity) of 85 per cent in FY20	81% prospective Residential customer satisfaction score.	In progress	Achieve 80 per cent satisfaction score amongst lead and opportunity customers
Residential Liveability	Achieve resident Liveability Index score across our residential communities of 75 per cent in FY20	74% Liveability Index score, marginally below the target of 75 per cent.	In progress	Achieve a Liveability score of 75 per cent across our residential communities
Retirement Living customer satisfaction	Achieve prospective Retirement Living customer satisfaction score of 75 per cent in FY20 (Leads and Reservations)	78% prospective Retirement Living customer satisfaction	Achieved	Achieve 80% per cent satisfaction score amongst Lead and Reservation customers
Retirement Living resident satisfaction	Achieve resident happiness score across our Retirement Living communities of 8.25 (mean score) in FY20	Achieved a Resident satisfaction mean score of 8.57 nationally, with 92 per cent of residents rating their overall happiness between 7 and 10.	Achieved	Achieve an 85% happiness score amongst our retirement living residents
Innovation	Contribute over 1% of FFO due to new innovation	Achieved a ~2% contribution to FFO through 39 initiatives across the business, including C-Life segmentation tools and lead scoring and prediction models.	Achieved	

FY20 performance and case studies

During FY20 we continued our company-wide focus on providing and investing in great customer experiences. Our Customer Insights and Analytics team have developed value drivers behind each of our customer key performance indicators, enabling our customer facing teams to understand which specific components of the customer journey they can influence to generate the highest returns.

We will continue to develop our analytical approach to quantify how much customer satisfaction contributes to Stockland's financial performance, achieved through linking hard financial metrics and commercial value to customer feedback metrics. Our priority to date has been the Communities business, however in FY21 Commercial Property will also adopt this approach.

Lab-52, our internal innovation capability, helps select, support and nurture new initiatives across the business. During FY20, Lab-52 has supported new growth initiatives contributing approximately 2 per cent of FFO. We have accelerated innovation across the business leveraging technology and our digital and data capabilities, including implementation of CORE, our end-to-end enterprise platform, residential product digitisation and retail omni-channel capabilities.

Customer experience

Unlocking the value of the customer experience

As a customer-centric organisation, Stockland is focused on optimising customer experience and satisfaction. We spend much of our time understanding customer needs, behaviours and feedback and then generating innovative ways to improve the customer experience.

While our focus on improving the customer experience has generated a surge in new ideas, it is important for us to prioritise those ideas that can simultaneously exceed customer expectations and maximise commercial outcomes. To focus and prioritise our efforts we apply data science-based methodologies to evaluate the commercial upside of each idea, unlocking the true value of customer experience.

As an example, one of our FY20 initiatives mapped the end-to-end customer journey in our Communities business and overlaid this with years of survey results and behavioural insights. We used our key success metric – customer referrals – to determine the key drivers of an excellent experience. By correlating 'likelihood to recommend' to how we deliver to expectations we can improve the experience, generate more customer referrals and increase sales conversion.

In our residential land business, undertaking this process showed that by reducing customer pain points, setting and delivering to expectations (for example, on land registration timelines and amenity delivery) and eliminating delays, we could unlock upwards of \$12 million annually.

We are also leveraging our data-science capabilities to optimise our retail portfolio and the shopper experience.

Customer centricity made possible with C-Life

At Stockland our passion to simultaneously maximise customer satisfaction and commercial value has led to the development of our C-Life methodology during FY20. C-Life, a first in the property industry, will provide a unique advantage to Stockland by helping us overcome many of the common constraints in designing customer strategies including time, budget and access to the right data.¹ Using leading-edge data science methodologies, C-Life seeks to clarify answers to three questions required to develop a meaningful customer strategy or response.

Who are the most (or potentially the most) valuable customers?

We have developed market-leading dynamic customer segmentation models that help us to pinpoint customers most likely to purchase property, or engage in spending, and their preferences. This provides a whole new level of insight to the business, from determining which segments or shopping missions to target, to the ability to quantify the value of those segments and opportunities.

What do customers value the most in the current or potential value proposition?

Our 'Elements of Value' tool provides data and understanding of what drives relative value for customers. The tool captures rational factors such as accessibility and convenience, as well as emotional factors such as achievement and control. We can now apply this critical data when developing strategies to improve or enhance the overall value proposition.

What are the most important parts of the customer journey or experience?

The third aspect of our C-Life core infrastructure is the ability to map the journey from a customer's perspective and translate that experience at critical points into commercial value gained or lost, based on movements in the journey. This functionality links traditional journey mapping with advanced predictive value driver models that blend both survey and behavioural data.

We are currently embedding the C-Life methodology across the business. C-Life is a natural partner to our existing D-Life² framework and represents a significant lift in our capability to place customer insights and experience at the centre of our strategy.

¹ How do we manage and protect customer data? Stockland only shares appropriately collected encrypted customer data with our third-party information technology services agency, Greater Data, for the purposes of data analytics. Encrypted segment files are shared back with Stockland via secure file share and housed in a data lake to which only limited members of Stockland's Customer Insights team have access. We have a contract in place with Greater Data that adheres to privacy legislation. Importantly, no Personal Protected Information data is stored in the data lake.

² D-Life is Stockland's project development life cycle, which outlines the key steps, forms and approvals required for any asset. In FY20 the Customer Insights team has worked closely with business development, acquisition and development teams to ensure customer insights are represented and utilised early in the development process, ensuring our assets deliver to customer needs.

CASE STUDY

OUR VIRTUAL CUSTOMER JOURNEY

The value of community living has never been more apparent. During the COVID-19 pandemic, people have reclaimed surrounding green space and are seeking more comfort and versatility at home.

To capture this demand we accelerated our digital capabilities to deliver safe, efficient and customised experiences for our customers available anytime.

During the year we launched our 360 degree virtual skytours experience for our top residential projects providing customers with an interactive view of our masterplanned communities. Our choose-your-own tours fly above our communities so customers can discover parks, schools, shopping and transport and explore the future plans for the community.

Customers can further immerse themselves in the experience by stepping into virtual display villages and video walk-throughs. The experience is then enhanced by providing detailed house and land pricing and builder availability at the click of a button.

To provide a safe buying experience we offer one-on-one, private sales experiences. Appointments can be made on the website, via our social media channels and enquiries receive quick responses with our Live Chat manned by sales professionals.

Our end-to-end virtual sales process also includes digital contract signing by appointment and the ability to proceed with a deposit. With a focus on continually improving our customers' experience, contracts have been simplified, project process tracking improved and we offer contactless pre-settlement inspections including personalised lot tours.

Explore our **Highlands masterplanned community** in Victoria.



Customer engagement

Stockland Exchange

Stockland Exchange is our own online research community made up of shoppers, residents and prospective residents across both our residential and retirement living communities. The research community has over 5,800 members aged from 18 to over 90.

In FY20 Stockland has undertaken circa 40 research projects via Stockland Exchange and gathered over 9,000 responses on a range of initiatives. During the year Stockland Exchange has also hosted eight different discussion forums and collected over 2,000 responses, allowing for rich, deep and meaningful insights at a fraction of the cost compared with outsourcing to an agency.

We have used community feedback to help us:

- inform Retirement Living value proposition and overarching strategy;
- evaluate communication concepts across business units;
- evaluate and identify optimal positioning and name for various residential assets;
- inform our retail place-making strategy;
- identify gaps and opportunities to better meet shopper needs; and
- inform our food catering strategy across a number of centres.

Another key achievement in FY20 was the launch of the Stockland Exchange Member Hub. The new Stockland Exchange Member Hub platform allows us to share key insights directly back to our members, in particular key findings from a number of our online discussion forums. This helps members to understand the value of their feedback, but equally importantly, it allows fellow members to get to know each other in the community.

During the COVID-19 pandemic, when many traditional qualitative research practices have come to a halt, Stockland Exchange allows the business to continuously gather insights from our customers in a safe manner via online forums and discussion panels.

Accelerating Innovation

During FY20 we delivered ~2% of FFO through 39 innovation initiatives across the business.

LAB-52, Stockland's internal innovation capability, takes a customer-centric approach to innovation. Every new initiative is deeply rooted in customer insight, understanding of customer jobs to be done¹, and known pain points. By correctly addressing these jobs and pain points through innovation initiatives, we are able to create great customer experiences and value for Stockland. Some of our key achievements during FY20 include the Stockland Accelerator, multiple innovation pilots, and a record number of entries in the Chairman's Award for Innovation.

Stockland Accelerator

The Stockland Accelerator culminated with an Investor Showcase in Sydney where 10 start-ups pitched to over 100 potential investors, partners and customers. Three of the PropTech start-ups built during the Accelerator piloted their solutions at Stockland's residential and commercial assets.

- Paper Plain, an online platform that enables community members to self-organise and jump start community building, launched an initial six-month pilot at Elara (NSW) in September 2019.
- Rental Heroes, an AI-powered chatbot that makes logging facility and maintenance requests more efficient, ran an eight-week pilot at Wetherill Park (NSW).
- IMBY, an online database that allows users to search, monitor, analyse and be notified of changes in the built environment, conducted a six-month pilot with Stockland users from our Planning and Development teams.

The delivery of these pilots allowed Stockland to gather additional customer insights and learnings, which have been shared across the business.

Innovation Pilots

Pilots are an essential part of the innovation process as we apply a customer-centric 'Test and Learn' approach to each initiative. The pilot process, combined with customer feedback, allows us to systematically measure impact and iterate on possible solutions, and gives us conviction to scale across the business when applicable. In FY20, seven pilots were launched in residential and retirement living communities, six in retail, and five across employee experience and business operations. Several of these pilots aim to respond to changing customer needs and behaviours and in turn improve the customer experience:

- An online defect management portal that enables customers to report defects and upload photos is currently being piloted at residential projects at Sway and Bokarina Beach (Sunshine Coast). This customer-centric approach to logging defects allows customers to quickly and easily log defects at their convenience.
- An AI-powered Stockland Gift Finder, piloted over the Christmas holiday in 2019, generates a list of suitable gift options from Stockland retailers based on the gift recipient's profile.
- A pilot using Natural Language Processing on Big Data has been launched in order to better understand customer sentiment and behaviour on social media, enabling Stockland to be proactive in understanding our customers and staying ahead of our competitors.

Chairman's Award for Innovation

The Chairman's Award received a record number of entries in FY20, showing that innovation is thriving across the business. Many of the entries were customer experience driven. The overall winner, *Cheapest Display Village Stockland's Ever Built*, focused on the end-to-end customer experience when designing and delivering a mobile-friendly digital equivalent of Stockland's physical display villages, which better connects customers to Stockland's land and community value proposition. Another finalist, *People's Choice Awards*, was born out of the Value of Customer Experience sessions we held nationally. These sessions focused on the need to better understand the house building process of the customer journey. *People's Choice* was designed to make choosing a builder easier for all national residential land customers.

¹ Jobs to be done is a framework used for defining, categorizing, capturing and organising customer needs in one place that helps us understand why a consumer would adopt an innovation. The focus is on understanding the customers' motivations and the jobs they want to accomplish and in turn designing a resilient product or service that changes and adapts as customer jobs evolve.

CASE STUDY

BUILDING CONFIDENCE THROUGH OUR PEOPLE'S CHOICE AWARDS

Buying land and building a new home is an exciting, fulfilling and yet daunting proposition. There are hundreds of decisions, big and small, to make along a journey that spans land registration, financing and building. At Stockland we wanted to make this decision-making process a little easier for our customers. We started to look at ways we could capture the insights and experiences of our current residents and share these with our prospective customers, empowering them with helpful and reassuring information. Our initial focus was on helping customers choose a builder.

Applying behavioural economics to uncover the key drivers of an excellent experience, we developed an idea called the *People's Choice* award. During their build, residents are surveyed and asked to rate their overall experience with their builder and the top five scoring builders in each state are presented the People's Choice award. The People's Choice logo is then added to the House & Land packages, indicating which builders have earned the award. Prospective residents have clearly found this helpful – those pages with the People's Choice logo generate three times as many conversions to enquiry than pages without it.

Importantly, feedback from our valuable builder partners has also been positive. The winners are thrilled and are using the People's Choice award logo in their own marketing material. We have shared our insights into the key drivers of an excellent experience with our builder partners and look forward to working together to deliver better experiences for our mutual customers.

We are currently investigating other opportunities to apply this data science-driven approach across Stockland. With a national scale and multiple partners, Stockland receives valuable and insightful feedback from a myriad of channels and stakeholders; gathering data from customers and using it to help others has powerful potential.



Customer satisfaction

Commercial Property

Retail tenant satisfaction

Our FY20 retail tenant satisfaction score was 80 per cent, three percentage points above our 77 per cent target. As reported in prior years, we have adopted a new, simpler methodology to calculate a new weighted metric.

Performance on new retailer satisfaction target

	FY20	FY19	FY18	FY17	FY16
Weighted retail tenant satisfaction score (revised)	80%	82.5%	72.5%	75%	77.5%

Our retail tenant satisfaction target for FY21 has been lowered to 75 per cent given there are various elements influencing retailer satisfaction that are outside Stockland's control. We also believe it will take the retail industry time to recover from the impact of COVID-19.

Retail shopper satisfaction

We have been measuring shopper satisfaction across our largest 10 retail town centres since mid-2016, and expanded the research to now cover 26 of our centres. This research collects shopper assessments each quarter on a range of different metrics including satisfaction and centre performance. The research is conducted by Monash University and results are benchmarked against an industry average. Each year the centres represented in this research will vary slightly as some assets are sold or redeveloped and hence taken out of scope.

Across the centres covered by our research, we achieved a shopper satisfaction target of 80 per cent in FY20, and have set a target to maintain a score of 80 per cent in FY21.

Shopper satisfaction metrics

	FY20	FY19	FY18
Shopper satisfaction across the Stockland portfolio ¹	80%	80%	76%
Weighted Industry Average (reflective of Stockland's main centre type) as measured by Monash	83%	82%	77%

¹ Based on percentage rating satisfaction as 6-10 out of 10.

Workplace and Logistics tenant satisfaction

In light of COVID-19, Stockland made the decision to postpone the annual Workplace and Logistics tenant satisfaction survey (typically launched in March of the financial year). This was a conscious decision made by business stakeholders in response to various office/business closures as a result of the pandemic. We will resume the annual tenant satisfaction survey in FY21.

	FY20	FY19	FY18	FY17	FY16
Logistics tenant satisfaction	N/A	85%	89%	89%	87%
Workplace tenant satisfaction	N/A	81%	88%	NA	NA
Combined Workplace and Logistics tenant satisfaction	N/A	83%	89%	NA	NA

Communities

Residential

Customer Satisfaction (Residential leads and opportunities)

Our Key Performance Indicator (KPI) for prospective resident satisfaction consists of a weighted average of three metrics that drive customer engagement and conversion:

- satisfaction with overall experience of dealing with Stockland
- likelihood of recommending Stockland
- sentiment on the effort required when engaging with Stockland through the process.

In FY20 our prospective resident satisfaction score fell slightly below our target, largely due to the volume of leads and challenging market conditions.

	FY20	FY19	FY18	FY17
Weighted customer satisfaction score ¹	81%	88%	82%	76%

¹ Calculated based on total volume of surveys (historically 70% being from Leads and 30% from Deposits).

We have made a number of customer-focused enhancements during FY20, including establishing national guidelines for defining accurate settlement timing expectations (in response to frustrations regarding settlement delays), establishing key performance indicators for our development teams to deliver projects on time, and increasing the frequency and personalisation of our customer communications.

Liveability

Our liveability research has shaped our customer engagement activities since its inception in 2011. In FY20 we received almost 2,000 responses across 18 residential communities that took part in the annual proprietary Liveability Index survey.¹ This research tells us how satisfied our residents are once they have moved into our residential communities, what we are doing well, and learnings that we can take forward for future developments. Insights from this research are used to inform strategic planning of each community and our national community design guidelines. For further information on how we use this insight to inform community development, please refer to the [Community Deep Dive](#).

In FY20 we scored 74 per cent on our new Liveability Index modelling, which is calculated using regression modelling. This is marginally below the target of 75 per cent due to the removal of a number of high-performing and well-established communities and the inclusion of new/developing communities (8/18 communities in scope are in the early/mid stages of development). We know from analysis that there is a strong positive correlation between the Liveability Index and established/further developed communities. It is important to note that satisfaction scores remain high in terms of absolute score.

Our FY20 liveability research identified ‘access to amenity’ (such as access to retail, recreational or transport services) and ‘public spaces’ as potential areas for improvement at a community level. While we maintain that these scores are linked to a number of our communities being in the early stages of development, we are looking at opportunities to provide pop-up amenity and greater promotion of surrounding/existing amenity to alleviate resident concerns.

In FY20 Stockland initiated a pilot study inviting residents from completed communities to take part in the Liveability Index survey to ascertain the long-term impact of the Stockland brand on the Liveability Index. This is an initiative Stockland plans to revisit in coming years, and learnings from this pilot indicate a different methodology needs to be implemented to maximise participation amongst completed communities and hence yield robust results.

¹ We targeted and received sufficient responses from 18 communities to look at these results in depth.

The below table provides historical Liveability Index adjusted scores and resident satisfaction scores for comparison purposes.

	FY20	FY19	FY18	FY17	FY16
Liveability Index ¹ score across our communities (results prior to FY18 have been adjusted to provide comparability)	74%	74%	78%	78%	79%
Resident satisfaction across our communities	91%	93%	93%	93%	93%
Resident Personal Wellbeing score as measured using Deakin University's methodology	78%	76%	77%	79%	80%
Proportion of residents agreeing that community has met or exceeded their expectations	82%	87%	88%	NA	NA

¹ The Liveability Index is a derived score that measures resident satisfaction on a range of attributes calculated using regression analysis.

Results prior to FY18 have been adjusted to take into account the change in scale and provide comparability guidance.

Retirement Living

Customer satisfaction (Retirement Living leads and reservations)

We have been measuring prospective resident satisfaction amongst our retirement living customers since FY15. We survey Lead and Reservation customers on their experience and satisfaction with Stockland, and in FY20 we exceeded our prospective resident satisfaction target of 75 per cent.

	FY20	FY19	FY18	FY17	FY16	FY15
Prospective resident satisfaction (Leads & Reservations)	78%	72%	73%	79%	68%	71%

Resident satisfaction (Residents Voice)

Our retirement living satisfaction or 'happiness' target of 8.25/10 is measured via the Residents Voice program, which is equivalent to the Residential Liveability research and measures many of the same aspects of resident satisfaction. In FY20:

- 11,057 residents were invited to take part in an annual survey to measure satisfaction with various facets of village life
- 6,659 residents participated in the survey, representing 60% per cent of all residents.

We asked residents to rate how happy they are with the village where they live, and in FY20 we exceeded our target 'happiness' score. At 8.57, this is the highest level of resident satisfaction achieved in the last five years. Additional metrics that provide insights about the experiences of our Retirement Living residents in FY20 include:

- 86 per cent of residents agree that Stockland has met/exceeded their expectations;
- 83 per cent of residents would recommend their village to friends and family (a significant uplift vs. FY19) and 44% have done so in the last year;
- 93 per cent of residents are satisfied with their homes;
- 89 per cent of residents are happy with their social life at the village; and
- Home and social life in the village remain the biggest drivers of overall satisfaction amongst residents.

	FY20	FY19	FY17	FY16	FY15	FY14	FY13
Average overall happiness with their village (out of 10)	8.57	8.56	8.44	8.48	8.48	8.49	8.51
Proportion of residents rating satisfaction as seven or more	92%	91%	90%	90%	90%	90%	90%
Number of residents completing the survey	6,659	6,643	6,813	6,614	5,897	6,668	6,143
Response rate (% of residents responding)	60%	57%	58%	57%	59%	68%	66%

We did not undertake the Residents Voice survey in FY18 because our residents participated in an industry survey in January 2018 and so we decided to shift the timing of our survey until July/August 2018.

Biodiversity

Why this is important to Stockland

We develop new land for housing, including infrastructure and social amenities, to create sustainable, thriving communities. Development brings challenges and opportunities that we manage as we deliver our projects. In particular, developments on greenfield sites can impact local bushland habitat, ecological communities and protected or significant species.

As part of our strategy to deliver shared value, we aim to minimise and mitigate these impacts to protect the biodiversity of our surrounding environments. We also understand the inherent value of biodiversity conservation for protecting the values of Australia's unique flora and fauna.

We therefore seek to balance developable land with retention and activation of biodiversity to enhance the long-term success of our masterplanned communities. By proactively minimising and mitigating the impacts on biodiversity, we are also able to have more productive conversations at all levels of government on our development proposals.

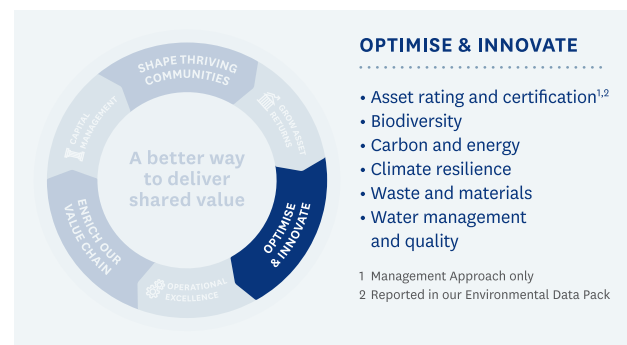
We appreciate that preserving biodiversity enhances the liveability and vitality of our communities over the long term. Our Liveability Index survey results tell us that our residential customers value green space and a connection to nature.

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 Standards¹ (Comprehensive); and is **third party assured**. The material in this Deep Dive is supported by a wider collection of performance metrics contained in our **Environmental Data Pack**.



This Deep Dive is to be read in conjunction with our published approach to biodiversity, available as part of our sustainability reporting suite at **Our Management Approach to Biodiversity**.

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/>)

Our key achievements

- Delivered activities to rehabilitate and restore Australian native biodiversity on 165 hectares of land across our assets in FY20, with plans to restore over 2,000 hectares of natural areas across our projects currently under development.
- Achieved a positive Biodiversity Index Score for our two masterplanned community projects assessed this year, with Paradise Waters (Qld) scoring 31.53 and West Dapto 2 (NSW) scoring 39.45 as a result of biodiversity protection and conservation mechanisms applied to each site.

Rehabilitated and restored

165ha

across our projects in FY20

Plans to restore

2,000ha

of natural areas across current projects

FY20 targets and progress

Optimise and Innovate

Focus area	Target	FY20 progress	Status	Future priorities
Make a net positive contribution to biodiversity value	All new eligible masterplanned residential communities to make an aggregated net positive contribution to biodiversity value ¹ in FY20.	Achieved a positive Biodiversity Index Score in the two projects assessed during FY20 - Paradise Waters (Qld) (31.53) and West Dapto 2 (NSW) (39.45).	Achieved	<p>Maintain a net positive contribution to biodiversity value as determined by the biodiversity calculator for all new masterplanned residential communities.</p> <p>Review our biodiversity calculator and methodology to ensure it continues to provide best practice assessment of our biodiversity project outcomes.</p> <p>Continue to work with local conservation groups, local, state and federal governments, and biodiversity experts to identify best practice design, restoration and engagement approaches on our project sites.</p>

¹ Contribution to biodiversity value as determined by the biodiversity calculator's Biodiversity Index Score (Good score >1; Moderate score 0-1; Poor score <0).

FY20 performance and case studies

Our biodiversity management is guided by site investigations and assessments undertaken by experienced ecologists throughout the process of masterplanning. Proposed conservation initiatives and actions are reviewed and approved by local or state regulatory authority. As a result of planning approvals, during FY20 we were actively protecting biodiversity at 23 of our masterplanned communities at various stages of development. Many of the areas identified for protection include species that are considered threatened or vulnerable.¹ Upon completion of these masterplanned communities, we will have placed approximately 2,735 hectares of land into protection for the purposes of biodiversity conservation, including rezoning for environmental protection, placing land into public ownership, and offsetting.

Our FY20 target was to make a net positive contribution to biodiversity value across our residential developments, as measured by our biodiversity calculator. A positive contribution means that, on balance, the net outcome will be beneficial to ongoing conservation of species and ecological communities through a range of planning, design and management initiatives. Common conservation initiatives include protection, offsetting, restoration and replanting.

During FY20 West Dapto 2 (NSW) and Paradise Waters (Qld) were assessed using the biodiversity calculator. West Dapto 2 achieved a positive Biodiversity Index result with a score of 39.45. The West Dapto 2 project site includes Illawarra Lowlands Grassy Woodland and Sub-tropical Rainforest native habitats. As a result of planning approvals, the project will set aside approximately 26 hectares of significant biodiversity on site and a further 31 hectares offsite through biodiversity offset protection. The on site and offsite protection has been provided to offset the impact of disturbance on site to approximately 5.5 hectares of existing native bushland. Paradise Waters achieved a positive biodiversity value contribution score of 31.53. As a result of planning approvals, the project will protect 113 hectares on site and 88 hectares offsite as significant koala habitat, which will be restored over the life of the project.

We have assessed 10 projects since 2015 and 100 per cent have achieved a positive result as determined by our biodiversity calculator. A full list of projects scored by our biodiversity calculator since FY15 is provided in our **Environmental Data Pack**. More information on the methods behind our biodiversity calculator can be found in **Our Management Approach to Biodiversity**.

Biodiversity conservation activities

We delivered 165 hectares of rehabilitation works during the year. Rehabilitation activities help support the longevity and resilience of significant biodiversity identified on our sites and are generally undertaken by specialist contractors as part of our biodiversity commitments for our projects.

Rehabilitation works were carried out across 10 projects ranging from small 0.27 hectares works at Brooks Reach, West Dapto, south of Sydney, to 65 hectares rehabilitation works at Highland Reserve in South East Queensland. Land where rehabilitation works have been completed will be protected in perpetuity through a range of mechanisms depending on the local planning system requirements and management regime specifications. For example, at Brooks Reach we will protect Thin Leaved Stringybark Grassy Woodland on site as well as land offsite agreed to under the NSW Government Biobanking Policy (now Biodiversity Offsets Scheme)². Similarly, we will be establishing a Biobank site at The Gables, our newly acquired project at Box Hill (NSW). The Biobank will be managed by a trust established specifically for the purpose of managing the Biobank land. Once we complete rehabilitation works across our projects currently under development, we will have restored over 2,000 hectares of natural areas.

¹ A total of 61 species or ecological communities on our development sites are considered threatened under Australian State and/or Commonwealth legislation. Of these species, 18 are included under various threatened species categories on the IUCN Red List.

² Biobanking (renamed the Biodiversity Offsets Scheme) enables 'biodiversity credits' to be generated by landowners and developers who commit to enhancing and protecting biodiversity values on their land.

We actively engage local community groups in our biodiversity activities to enhance the extent of our impact and to educate local communities on biodiversity values. Community groups help to define the value and biodiversity management activities planned for rehabilitation. At our Cloverton project in Melbourne, protection of biodiversity is governed by a biodiversity strategy established for the revised Melbourne Urban Growth Boundary. The strategy's purpose is to protect nationally threatened species including the Growling Grass Frog, Golden Sun Moth, Matted Flax Lily and the Striped Legless Lizard. Governance and management decisions for the 91 hectares of land to be rehabilitated along Merri Creek involve key stakeholders including Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation, Hume and Whittlesea City Councils, Mitchell Shire Council, Merri Creek Management Committee, Bicycle Network Victoria, local land owners and state government authorities. We continue to work with these stakeholders to restore and protect the corridor.

Other project-specific examples of our conservation activities in FY20 include:

- Rehabilitated 17.5 hectares of Native Grassland habitat for a number of nationally threatened species including the Golden Sun Moth, which has been transferred to the state government and is now under ongoing management by Parks Victoria, including Dohertys Creek and Croleys Creek.
- Continued to support ongoing management and monitoring of the translocation of Grand Spider Orchids from within the development boundary at Calleya (WA) to an area of public land with a large population of the orchids, where they can be conserved in perpetuity.
- Continued to work with our Aura (Qld) community reference panel, managed by Healthy Land and Water. The panel includes 18 local community and government stakeholder groups who review issues and progress relating to natural areas and biodiversity conservation.
- Delivered rehabilitation works across five hectares at our Willowdale (NSW) project. Across our Western Sydney projects, Willowdale and Elara, we will ultimately deliver 59 hectares of parkland, which will integrate wetlands, rehabilitated areas containing endangered ecological communities, and riparian corridors. Picnic areas, play areas, walking paths, native food trails and bird watching facilities have been delivered since the commencement of these projects.
- Continued the rehabilitation of 91 hectares of riparian land adjacent to the Coomera River prone to river disturbance and erosion at our Foreshore (Qld) project. Once rehabilitation works are complete, we will hand the land over to the council and the state government for ongoing management.
- Continued the restoration of an environmental corridor at Newport (Qld) with the aim of protecting the Ramsar-listed wetlands adjacent to the site, including planting over 100,000 trees and ongoing water quality monitoring through the life of project construction.

CASE STUDY

THE BENEFITS OF GREEN SPACE

The role of parks, playgrounds and natural areas is becoming increasingly important in our cities and suburbs. We know through our Liveability Index survey of our communities that the proximity and quality of local parks and natural environments are key drivers of liveability, particularly in more populated cities of Sydney and Melbourne. Since the COVID-19 lockdowns in early 2020, as people have increasingly ventured out in their local areas for physical exercise and perhaps more importantly, their mental wellbeing, the significance of green spaces has increased.

Across our two major projects in western Sydney, Willowdale in the South West and Elara in the North West, we will be creating close to 60 hectares of parklands, twice the size of Sydney's Royal Botanic Garden. Both projects will feature picnic areas, open park areas and a combined 12 kilometres of walking trails with a variety of environments to experience along the way, including native food trails and bird watching facilities.

Project Director, Patrick Noble, said, "Creating spaces for our residents to get out and explore nature is not only important to the lifestyle and wellbeing of our residents but also fosters pockets of biodiversity in Greater Sydney."

Over 1.1 million plants will be planted across both projects, building on the existing natural areas and protecting and enhancing endangered riparian forests and the Cumberland Plain Woodland ecological community. As at August 2020 we have completed close to 50% of the planting. The application of Water Sensitive Urban Design principles within both communities will filter rainwater runoff and protect and enhance wetland habitat. Ongoing conservation activities such as weed removal and formalisation of walking trails will continue to improve the role of these parkland corridors for biodiversity habitat, and will support migration opportunities for native plant and animal species across Sydney's west.

Across all our projects we have set ourselves a target to achieve a net positive outcome for biodiversity measured using our biodiversity masterplan calculator. The calculator is broadly based on the biodiversity calculators used by the GBCA to support their Green Star tools, and has been adapted by our consultants, Eco Logical Australia, to ensure relevance for large masterplanned communities.



Carbon and Energy

Why this is important to Stockland

We have a long-standing commitment to improve our energy efficiency, reduce our carbon emissions and manage our climate change risk. We recognise our role to influence the energy efficiency of our assets, and have taken a proactive approach to developing energy efficiency programs and implementing action plans over a number of years.

The increasing cost of energy, particularly electricity, poses a challenge for the property industry and for all Australians. As electricity is an increasing proportion of our assets' operating expenditure, improvements in energy efficiency enable us to reduce cost and improve our operational efficiency. Integrating energy efficiency considerations into the design and construction of our assets can also help to reduce the energy requirements (and electricity costs) of our tenants and residents.

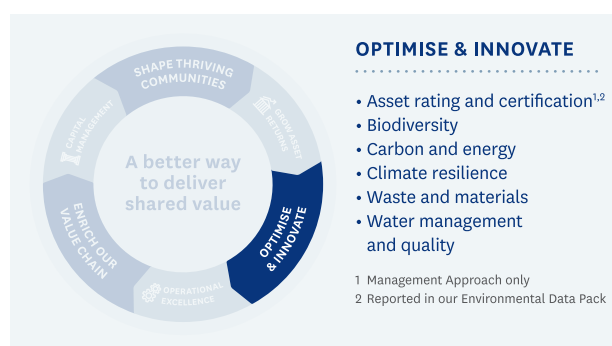
The increasing cost of power also means that renewable energy options such as solar have become cost-effective choices for our energy supply. The declining cost of solar infrastructure works in tandem with the increasing cost of conventional energy combine to make solar a sound business investment. We look to design and technology innovation and access to alternative energy supplies to help us and our customers realise a cost efficient, low-carbon future. Improving the energy efficiency and encouraging the long-term electrification of our assets and communities not only improves environmental outcomes, but also provides cost-of-living benefits and economic advantages for our business.

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This Deep Dive is to be read in conjunction with our published approach to carbon and energy, available as part of our sustainability reporting suite at **Our Management Approach to Carbon and Energy**.

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/>)

Our key achievements

- Partnered with the Clean Energy Finance Corporation on a \$75 million senior debt facility to help deliver on our 2030 Net Zero Commitment for our Retirement Living and Industrial portfolio and Corporate Head Offices, based on the World Green Building Council Net Zero Carbon Buildings Commitment.
- Recognised as a global leader in disclosure and action on climate change, achieving a place on CDP's Climate A-List for the fourth year in a row (the only Australian company to have achieved this status).
- Achieved a 32% reduction in emissions intensity across Commercial Property against a FY17 baseline.
- Achieved more than \$123 million savings from energy efficiency initiatives since FY06.
- Completed a further 2.3MW of solar capacity in FY20 at Yennora (NSW), Gladstone (Qld), Toll Drive Altona (Vic), Truganina (Vic) and Baringa (Qld), bringing our total portfolio solar capacity to 18MW and expected generation capacity of approximately 24GWh in renewable energy annually. This takes our total investment in renewables to over \$33 million.
- Exceeded our residential energy performance design target of 10% reduction in carbon emissions against compliance standards, achieving a 46% reduction.
- Exceeded our retirement living energy performance design target of 10% reduction in carbon emissions against compliance standards, achieving a 12% reduction at Newport (Qld) and a 31% reduction at Shine (Qld).
- Achieved a 4 star Green Star Design & As Built rating v1.1 at Newport and Shine Birtinya.
- Achieved a 5 star Green Star Design & As Built v1.1 rating for our Stockland Birtinya (Qld) retail town centre.
- Achieved a 6 star Green Star Interiors v1.2 rating for our Brisbane Corporate Head Office fitout.
- Delivered a certified Zero Net Carbon Home in partnership with Creation Homes at our Orion project, as part of a pilot project with Sustainability Victoria. The home is designed to produce enough renewable energy to offset the annual greenhouse gas emissions of its estimated energy use and was certified using Sustainability Victoria's As Built verification methodology.
- Installed renewable energy systems at 42 homes at Highlands (Vic), with plans for up to 10 of these homes to achieve Climate Active carbon neutral certification.
- Awarded re-certification of a 6 star Green Star Communities rating for Aura (Qld), maintaining our position as the highest-rated masterplanned community in Australia.

Savings from energy efficiency

>\$123m

initiatives since FY06

Reduction in emissions intensity

32%

in Commercial Property against FY17 baseline

Powered by solar energy

36.6%

of our Retail Town Centres

FY20 targets and progress

Commercial Property

Optimise and innovate

Objective	Target	FY20 progress	Status	Future priorities
Reduce emissions and improve climate change resilience within our portfolio	Achieve net zero carbon by 2030 for our Industrial portfolio and Corporate Head Offices based on the World Green Building Council Net Zero Carbon Buildings Commitment	Procured a Green Power contract for the supply of electricity to our new Melbourne Corporate Office.	In progress	Deliver our first net zero carbon building in a new project with the construction of the first stage of our M_Park workplace development in Macquarie Park, Sydney. Deliver a net zero target in operation at our Melbourne Corporate Office, including a Green Star Interiors rating and WELL rating for the tenancy.
	Achieve a 60 per cent carbon intensity reduction target for Retail Town Centre, Workplace and Business Parks assets by FY25 against the FY06 baseline	Achieved a carbon intensity reduction of 64.6 per cent against the FY06 baseline for the Retail Town Centre, Workplace and Business Parks portfolio.	Achieved	Continue to work towards further improving carbon reduction intensity target for Retail Town Centre, Workplace and Business Parks assets by FY25 against the FY06 baseline.
	Reduce carbon intensity in our Retail Town Centre portfolio by 10 per cent by FY20 against the FY17 benchmark	Achieved a carbon intensity reduction of 38 per cent against the FY17 benchmark for our Retail Town Centre portfolio.	Achieved	Maintain carbon intensity in our Retail Town Centre portfolio at the FY20 baseline.
	Reduce carbon intensity in our Workplace portfolio by five per cent by FY20 against the FY17 benchmark	Exceeded our five per cent carbon intensity reduction target, achieving a 13 per cent reduction against the FY17 benchmark.	Achieved	Maintain carbon intensity in our Workplace and Business Parks portfolio at the FY20 baseline.
	Achieve a 4.5 stars NABERS Energy portfolio average for our Retail Town Centre portfolio by FY20	Exceeded NABERS Energy target, achieving a portfolio average rating of 4.72 stars.	Achieved	Maintain an average NABERS Energy portfolio rating for our Retail Town Centre portfolio at the FY20 baseline.
	Achieve a 5 stars NABERS Energy portfolio average for our Workplace and Business Parks portfolio by FY20	Achieved a NABERS Energy portfolio average rating of 4.82 stars. Target was not achieved due to lower than expected occupancy in a number of assets, and the divestment of some higher performing assets.	Not achieved	Maintain an average NABERS Energy portfolio rating for our Workplace and Business Parks portfolio at the FY20 baseline.
Invest in alternative energy supplies to reduce our emissions	Continue to install electric vehicle charging stations across our Retail Town Centre portfolio	Installed a new ChargePoint dual charger at Stockland Forster (NSW) and three additional Tesla destination chargers at Stockland Balgowlah (NSW).	Achieved	Continue to install electric vehicle charging stations across our Retail Town Centre portfolio.
	Install a further 1.9 MW of solar photovoltaic capacity across two retail town centres (Gladstone and Baringa) and one logistics (Yennora) asset by the end of FY20	Completed a further 2.3MW of solar capacity in FY20 at Yennora (NSW), Gladstone (Qld), Toll Drive Altona (NSW), Truganina (Vic) and Baringa (Qld) bringing our total portfolio solar capacity to 18MW with the capacity to generate approximately 24GWh in renewable energy annually.	Achieved	Continue to invest in renewable energy as opportunities arise in our operating assets and development projects.

Communities

Residential

Optimise and innovate

Objective	Target	FY20 progress	Status	Future priorities
Reduce emissions and improve climate change resilience within our portfolio	Exceed relevant minimum energy-related performance design compliance standards by 10 per cent within our residential communities in FY20.	Exceeded our residential energy performance design target of 10% reduction in carbon emissions against compliance standards, achieving a 46% reduction within our residential communities delivered in FY20. ¹ Delivered a certified Zero Net Carbon Home in partnership with Creation Homes at our Orion project, as part of a pilot project with Sustainability Victoria.	Achieved	Exceed relevant minimum energy related compliance standards by 15 per cent within our residential communities. Complete a Life Cycle Assessment for one residential Townhome dwelling compared to a code-compliant home using the findings to assist future homes design development.
	Offer solar and battery packages to 72 homes within our Highlands (Vic) project in partnership with a large industry supplier and monitor energy performance.	Completed 42 installations with energy performance data being collected for 30 homes. The remaining homes did not take up the offer.	Achieved	Certify up to 10 Carbon Neutral homes at Highlands (Vic) in accordance with the Climate Active Assessment tool in partnership with the CEFC and GBCA.

¹ Measured as a percentage reduction in modelled emissions outside of Stockland's Scope 1 and 2 Operational Boundary.

Retirement Living

Optimise and innovate

Objective	Target	FY20 progress	Status	Future priorities
Reduce emissions and improve climate change resilience within our portfolio	Achieve net zero carbon by 2030 for our Retirement Living portfolio based on the World Green Building Council Net Zero Carbon Buildings Commitment and with support from the CEFC.	Reviewed solar power opportunities for Newport RL(Qld).	In progress	Review net zero energy homes opportunities within future Retirement Living developments or redevelopments, including a review of solar and battery systems implementation, building air tightness and improvements to the thermal performance of the residential units.
	Exceed relevant minimum energy-related performance design compliance standards by 10 per cent in all new developments.	Achieved 4 star Green Star Design & As Built certification for Newport and Shine Birtinya (Qld).	Achieved	Exceed relevant minimum energy related compliance standards by 10 per cent in all new developments by targetting 4 star Green Star Design & As Built.
	Continue to roll out solar installations to meet or exceed our target of five installations across clubhouses and community centres in our retirement living communities in FY20.	Completed installations at Bay Village (SA). Installations in progress across villages in Victoria and SA, including Arilla (Vic), Selandra Rise (Vic), Templestowe (Vic), Plenty Valley (Vic) and Highlands (SA).	Achieved	Continue to roll out an additional two solar installations across clubhouses and community centres in our retirement living communities including Newport (Qld).
	Formalise solar guidelines and supporting documentation that apply to village residents.	Created tender documentation for solar installations across Victorian Retirement Living villages.	In progress	Create supporting documentation for residents.
	Implement key recommendations from our pilot sub-metering and monitoring program and share lessons learned.	Report completed with findings presented to village operation teams.	Achieved	Commence the planning of an energy efficiency improvements program across operational villages as part of the CEFC 2030 Net Zero Commitment.

Transitioning targets for FY21

Due to the business challenges associated with the COVID-19 pandemic, we have delayed the launch of our new 2030 Sustainability Strategy and its associated long-term targets. Our new strategy and next three-year cycle of energy and carbon targets (FY22-24) will be launched during FY21. Where feasible, we have rolled over our FY20 three-year targets for an additional year to maintain our focus on sustainable outcomes for our stakeholders. We will also launch our Group Net Zero Commitment and Pathway Strategy in FY21.

FY20 performance and case studies

Total greenhouse gas (GHG) emissions: location-based

We reduced our Scope 1 emissions in FY20 primarily due to decreases in emissions associated with our Workplace and Business Parks and Residential development works. There was also a decrease in gas consumed across our Retirement Living Communities and Retail Town Centres portfolio.

Our Scope 2 emissions decreased largely due to reduced gross energy consumption across our Commercial Property assets and the streamlining of data collection in Communities enabled by the transition to online contractor WHS&E reporting, which has reduced the need for estimation of data.

The table below outlines our Scope 1, 2 and 3 emissions over the last five years. For a detailed breakdown of our Scope 1, 2 and 3 emissions please refer to our [Environmental Data Pack](#).

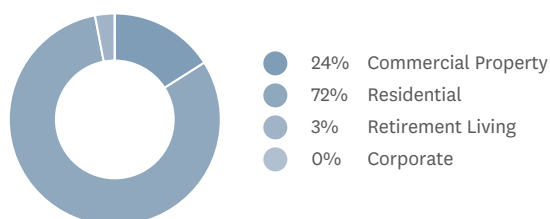
Scope 1, 2 and 3 emissions (tCO₂-e)

	FY20	FY19	FY18	FY17	FY16
Stockland group total Scope 1	21,028	24,230	25,453	26,884	35,036
Stockland group total Scope 2	53,751	70,545	82,591	87,860	89,881
Stockland group total Scope 1+2 emissions	74,779	94,775	108,044	114,744	124,917

Total Scope 1 emissions by business unit

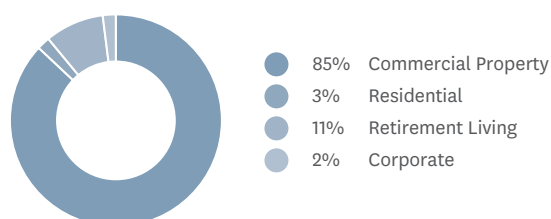
The chart below outlines the percentage allocation of our Scope 1 emissions by business units. Communities (Residential and Retirement Living) constitutes the largest proportion of our Scope 1 emissions due to contractor construction activity during development.

Residential communities with large construction activities in FY20 included: Aura (Qld), Newport and Kalina (Qld), Willowdale and Elara (NSW), Mt Atkinson and Edgebrook (Vic) and Red Hill (ACT).



Total Scope 2 emissions by business unit

Commercial Property constitutes our largest proportion of Scope 2 emissions and remains the focus of our strategic energy efficiency initiatives and our investment in renewable energy generation. Scope 2 emissions have decreased significantly due to the increased implementation of solar power systems across our Retail Town Centres.



Total greenhouse gas (GHG) emissions: market-based

Stockland recognises the introduction of the market-based method defined by the GHG Protocol Scope 2 Guidance. We are reporting using this method, in addition to the location-

based method, at the Group level in FY20. Although Residual Mix Factors (RMF) are yet to be published for the Australian electricity market, our preliminary calculations show that the change in reporting basis this year would have less than a 4% impact (reduction) in gross Group emissions, and allows for the accounting of carbon credits that we have sold.

	FY20	FY19	FY18	FY17	FY16
Stockland group total Scope 1	21,028	24,230	25,453	26,884	35,036
Stockland group total Scope 2	66,498	77,673	78,745	85,754	86,856
Stockland group total Scope 1+2 emissions	87,526	101,903	104,198	112,638	121,892

	FY20	FY19	FY18	FY17	FY16
Total transmission and production losses (from purchased electricity, gas, water and fleet fuel)	7,518	10,469	13,216	14,675	14,782
Waste disposal ¹	11,494	13,803	14,892	11,990	20,571
Vehicle hire and hire car travel	26	38	64	35	42
Airline travel	1,912	3262	5694	4415	4233
Total Scope 3 emissions	20,950	27,572	33,866	31,115	39,628

¹ From FY16 we expanded our boundary to include scope 3 emissions from waste generated at our Commercial Property assets.

Commercial Property

NABERS Energy Ratings

Retail

Following the NABERS Energy ratings undertaken in FY20 on our Retail Town Centre portfolio, the area weighted portfolio average for NABERS Energy has improved to 4.72 stars (4.34 stars in FY19), exceeding our target of 4.5 stars by FY20 in absolute terms. This year we rated some of our smaller Retail Town Centres for the first time due to the introduction of a new NABERS methodology for the rating of small retail centres. Therefore, considering changes in the rated portfolio for FY20, the like-for-like portfolio average is 4.82 stars.

Ten assets improved their rating in FY20 with 11 out of 26 assets at 5 stars or better and five assets at 6 stars, which is the highest rating possible. Our investment in solar PV over the last five years is having a major upward influence on ratings. We were pleased that our Stockland Birtinya (Qld) Retail Town Centre has achieved a first-time rating of 6 stars after its first year following development.

Workplace and Business Parks

In our Workplace and Business Parks portfolio, from 14 assets rated in FY20, one rating fell and two improved, with six out of 14 assets at 5 stars or better. A key improvement was achieved this year with the Optus Campus (NSW) earning a 5 star rating. The NABERS Energy area weighted portfolio average has improved to 4.78 stars (4.64 stars in FY19) for our Workplace portfolio and 4.84 stars (4.37 stars in FY19) for our Business Parks portfolio. Therefore, the combined portfolio average for Workplace and Business Parks is 4.82 stars, which is an improvement on the FY19 result of 4.37 stars.

However, we have not achieved our target FY20 portfolio average of 5 stars in absolute terms. The target was not achieved due to lower than expected occupancy in a number of assets and the sale of some higher performing assets. However, on a like-for-like basis, the portfolio

average is 4.97 stars. There are no ratings this year for 11-17 Khartoum Road, Macquarie Park (NSW), as this site is subject to redevelopment, and 350 Wellington Road Mulgrave (Vic) due to vacancy during refurbishment.

We anticipate an uplift in the next rating period when we will see the benefits of major HVAC upgrades at the Optus Campus (NSW) and Mulgrave Corporate Park (Vic), which have been completed this year.

More information on our NABERS ratings across our portfolio is provided in the [Environmental Data Pack](#).

Green Star

Workplace and Business Parks

During FY20, as part of our involvement in the development of the next generation of Green Star rating tools, we had the opportunity to participate in the Green Building Council of Australia's 'Future Focus Early Access' program. Our participation in this program gave us privileged access to the new Green Star rating tool for New Buildings, allowing us to gain early insight into the development of new credits as they were taking shape and apply some of these to the first stage of M_Park, Building A. Our M_Park project in Macquarie Park in Sydney is targeting a 5 star rating under the Green Star Design & As Built v1.3 rating tool. These insights into new credits will position us well for the later stages of the M_Park development, which will need to be registered under the New Buildings tool after it is launched later in 2020.

Through our involvement in the Early Access program we were able to explore the opportunity for a commitment to net zero carbon emissions for Building A once in operation. The most significant learning for the project team was around the requirements for a commitment to net zero carbon, including the exclusion of gas-fired plant and equipment to be fully electric and 100% powered by renewables. This major early insight enabled us to pursue a business case to commit to net zero for the project.

More information on our Green Star ratings across our portfolio is provided in the [Environmental Data Pack](#).

CASE STUDY

EARLY ENERGY EFFICIENCY COMMITMENT DELIVERS LONG-TERM RESULTS

In late 2019 we achieved a post-development 5 star NABERS Energy rating for our Stockland Green Hills (NSW) Retail Town Centre, complementing the centre's 5 star Green Star As Built rating. This was a proud achievement for the whole team, a journey that began four years earlier at the time of contract procurement.

At Stockland we use NABERS ratings to help us set and achieve energy and carbon targets in our Commercial Property portfolio. We undertake NABERS ratings annually for our Workplace and Retail assets, and enter into Commitment Agreements to achieve high NABERS ratings in our Workplace developments. NABERS Commitment Agreements help to bridge the gap between design and performance by providing more certainty that a high rating will be achieved in operation through good design, energy modelling, equipment specification and energy monitoring and management.

Right from the start our Green Hills development team had a strong focus on energy efficiency in operation. However, at the time, there was no Commitment Agreement protocol for Retail developments, only Office. So, the Stockland Project Management, Sustainability and Legal teams worked together to embed clauses equivalent to an Office NABERS Commitment Agreement into the Multiplex contract, ensuring the project delivery team remained focused and engaged beyond practical completion and during the defect liability period. We contracted Multiplex to achieve a 4.5 star NABERS Energy rating, which was a challenging contractual obligation as they were only responsible for the development, not the operation of the centre.

For almost two years after project completion, Stockland and Multiplex along with sub-contractors, the ESD consultant, and the Independent Commissioning Agent, continued to collaborate, monitoring monthly energy performance and tuning operations to optimise efficiency and occupant comfort. Ultimately the 4.5 Star NABERS Energy target contractual requirement was exceeded.

With the addition of a 1.8 MW solar installation, one of the largest rooftop solar systems in the country, and our sustained focus on energy efficiency, we were able to drive down grid energy consumption and peak demand to outperform the benchmarks for Green Star and NABERS and achieve the dual 5 star rating results.

Exceeding our sustainability aspirations on Stockland Green Hills demonstrates the importance of setting clear project objectives and targets as well as agreed contract conditions at the project procurement stage.



Energy efficiency

We have actively invested in energy efficiency improvements across our Commercial Property developments and operations since we set our first energy and emissions targets in FY09. Energy is an important operational expenditure item for our business, and as a result we have adopted an active management approach to deliver strong financial returns whilst reducing our carbon footprint. We have achieved more than \$123 million savings from energy efficiency innovations since FY06.

Our energy efficiency investments made in FY20 are projected to generate total energy savings of approximately 998,000 kWh annually. These investments include Building Management System (BMS) upgrades and retro-commissioning across five sites in our Business Parks and Workplace portfolio, which will improve the control logic and hence the efficiency of the heating, ventilation and air conditioning (HVAC). Of the total energy savings, the BMS upgrades are projected to save approximately 146,000 kWh per annum, which equates to approximately four per cent of the total base building annual consumption. We are also in the process of a significant HVAC and services upgrade at Optus Centre, which will improve the overall control strategy and efficiency of the air conditioning system without compromising on thermal comfort. The upgrade is expected to take the asset to a 5 stars NABERS Energy rating

We continue to pilot innovative technology, including a new building analytics platform in two shopping centres to help drive air conditioning efficiency, and the installation of higher efficiency EC Fans across two different shopping centres. EC Fans are more efficient compared to traditional fan and motor technology as they have integrated variable speed control capabilities, allowing the fan to match air flow requirements, which is especially effective at part speeds. The projected annual savings for this initiative is approximately \$7,000. The building analytics platform continuously analyses large amounts of data, which then produces improvement opportunities. Since the implementation of the building analytics platform, \$30,000 worth of opportunities have been identified with 21% of these items resolved.

Renewable energy

By the end of FY20 we had installed a further 2.3MW of solar PV capacity across three logistics assets, including our largest logistics installation of 770 kW at Yennora Distribution Centre and two retail centres at Stockland Gladstone and Stockland Baringa. This takes our total operational solar PV capacity to 18MW, with an annual estimated generation of 24GWh, and brings the total investment in renewable energy to over \$33 million.

The table below illustrates the increase in our solar generation over the past five years.

Renewable energy generated using solar power – Retail

	FY20	FY19	FY18	FY17	FY16
Solar generation (kWh)	22,246,182	12,958,224	3,274,463	2,387,168	1,940,689
Per cent of Retail Town Centre portfolio electricity usage	36.6%	19.9	5.1	3.6	2.8
Solar capacity installed (at period end) (kW)	16,781	16,400	4,360	2,260	1,360

Renewable energy generated using solar power – Logistics

	FY20	FY19	FY18	FY17	FY16
Solar generation (kWh) ¹	60,114	-	-	-	-
Per cent of Logistics portfolio electricity usage	3.9%	-	-	-	-
Solar capacity installed (at period end) (kW)	770	-	-	-	-

¹ Figures relate to total electricity generation from photovoltaic power within financial year.

CASE STUDY

TAKING ACTION TOWARDS A LOW-CARBON FUTURE

As a real estate owner, manager and developer, we recognise we can make a valuable contribution towards a low-carbon future. In December 2019, we partnered with the Clean Energy Finance Corporation (CEFC) on a \$75 million debt facility to help deliver on our 2030 Net Zero Commitment for our Retirement Living and Industrial portfolio, and for our Corporate Head Offices. This relates to our World Green Building Council Net Zero Carbon Buildings Commitment.

This agreement will help Stockland to deliver a series of renewable energy, energy efficiency and low-carbon homes projects, enabling us to continue to innovate and transform the industry, while continuing to be recognised as a market leader in sustainability.

One of the key deliverables of the agreement is the installation of solar across our Logistics and Retirement Living assets, with the objective of establishing an inter-asset energy trading platform to enable us to achieve our 2030 net zero commitment.

This will enhance our generation capacity, allow us to offset our emissions internally and make our assets more resilient to future shocks and stresses. We have engaged an external consultant to help us better understand how we can establish the inter-asset energy trading platform. We continue to review opportunities to install solar across our operational assets. These projects not only help with meeting our CEFC objective, but they also help to promote low-carbon technology and educate residents and the community on the environmental and economic benefits renewables can offer.

Stockland is also collaborating with the CEFC to deliver low-carbon homes at our Highlands development in Victoria. Of the 72 homes that were offered a 5kW solar PV, battery and inverter system, 42 homes accepted the offer and have had their installations completed. We are aiming for 10 of these homes to achieve the Climate Active Carbon Neutral Standard in partnership with the GBCA, an outcome made possible by our dedicated project team, including partner builders and suppliers who continue to challenge the status quo. This industry-first certification will set an important precedent for what is possible for future sustainable homes, not just positively impacting environmental performance but helping to ensure Stockland creates healthy, safe and resilient homes for our customers.



Performance against emissions reduction targets

We track our greenhouse gas emissions on a per square metre intensity basis as a means to understand our energy impacts while taking divestments and investments into account. Our greenhouse gas emissions intensity has been

steadily decreasing across Commercial Property, and we will continue to monitor and invest in technology to assist us in maintaining our FY20 performance as a baseline into FY21.

The table below outlines our greenhouse gas emissions intensity data for the last five years.

Commercial Property greenhouse gas emissions intensity (kg CO₂-e/m²)

	FY20	FY19	FY18	FY17	FY16
Workplaces	53.64	61.18	60.41	61.70	64.98
Retail Town Centres	32.66	42.25	49.54	52.92	56.58
Commercial Property	37.09	46.32	52.00	54.93	58.55

In FY20 we reduced our Retail Town Centre portfolio emissions intensity by 22.7 per cent compared with FY19. These decreases are attributable to continued energy monitoring, and capital investments in efficiency initiatives such as installation of highly energy-efficient fans, heating, ventilation, air conditioning optimisations and solar PV. Our

Workplace emissions intensity decreased by 12. compared with FY19, driven by upgrades and retro-commissioning of HVAC equipment and new monitoring services.

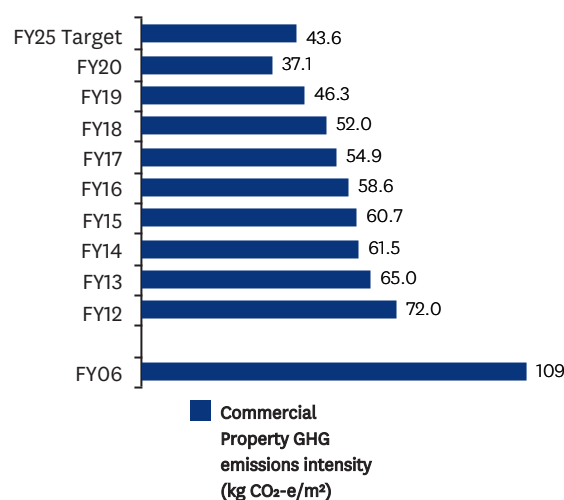
The table below outlines our Commercial Property year-on-year emissions intensity reductions over the last five years.

Commercial Property annual changes in emissions intensity

	Annual Intensity Change (%)				
	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks	-12.3%	1.0%	-2.0%	-5.0%	-4.0%
Retail Town Centres	-22.7%	-14.7%	-6.0%	-6.0%	-3.0%
Commercial Property	-19.9%	-10.9%	-5.0%	-6.0%	-4.0%

We have set emissions reduction targets every three years in support of our overarching target to reduce emissions intensity by 60 per cent across our Commercial Property portfolio by FY25, using the FY06 baseline. The chart below indicates our performance in FY20.

Progress toward our FY25 emissions intensity target (kg CO₂-e/m²)



CASE STUDY

TRANSFORMING THE WAY WE WORK WITH SUSTAINABLE DESIGN

It's a well known fact that our physical environment impacts our mood and general wellbeing. In the same way, the interior design of our workplace can directly influence our productivity, performance and job satisfaction. This was the challenge accepted by the team leading our 'Better Way to Work' employee strategy – how to transform our Brisbane Corporate head office from a traditional cubicle style office to an open plan fitout enabling productivity-based working, better collaboration, and increased flexibility for our staff and visitors.

The retail centre themed 'Arcade' and communities themed 'Park' were core design principles, representing Stockland and what we do as a business. We wanted to provide an environment for our people that would allow them to collaborate, as well as work in a way that matched their personal preferences or tasks. We integrated new indoor and outdoor spaces, community and open breakout spaces, greenery and a central stylised shopfront arcade. We installed activity-based workstations to enable staff to work more flexibly, with a selection of sit-to-stand desks and fixed workstations.

Sustainability was embedded throughout the design, construction and operation, and a high performing indoor environment quality was achieved through:

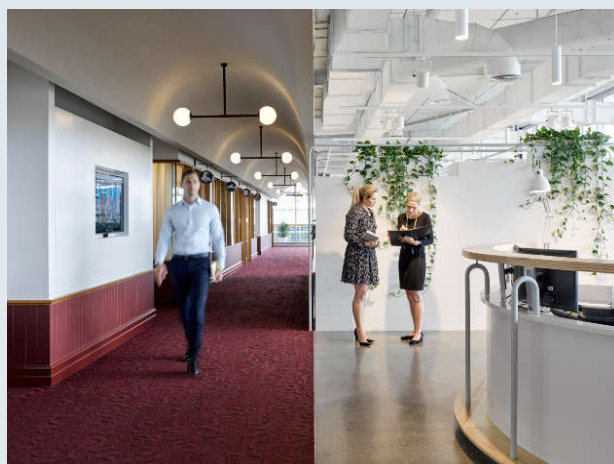
- products with ultra-low VOCs, including paints, sealants, carpets and furnishings
- Good Environmental Choice Australia (GECA) certified workstations and office furniture
- biophilic design to provide increased connectivity to the natural environment, including direct nature (native plantings), indirect nature (exposed VJ wood panelling in keeping with a strong Queensland theme), and space and place conditions.
- plants installed throughout the office and on external balconies to provide a natural air filter of office airborne contaminants

- increased outside air supply to reduce recirculated air, coupled with CO₂ monitoring to modulate ventilation rates to suit
- natural daylighting and unimpeded views to the outside, including the large natural green wall covering the side face of the Brisbane Convention Centre and water views of the Brisbane River
- exposed ceiling and polished concrete floors to increase the sense of space and further enhancing occupant wellbeing
- acoustic sound absorbing panelling installed to open areas to reduce reverberation noise, and high-performance windows and doors to meeting rooms to provide increased levels of privacy and noise separation.

Our Digital Workplace Strategy, including the transition to laptops for all mobile staff, and web-based communication services, removed the need for individual desk-based phones. Continuous Wi-Fi coverage throughout the office and balconies allows staff to move freely around the office while they do their work.

Our Brisbane Corporate office fitout was awarded a 6 star Green Star Interiors v1.2 rating by the Green Building Council of Australia, industry recognition of a design that exemplifies world leadership. A number of initiatives attracted Green Star innovation credits, including contractor education, ultra-low VOC products, ultra-low levels of construction waste sent to landfill, and The Building Occupants Survey System to identify staff indoor environment satisfaction pre-and post fitout.

We also achieved a NABERS Tenancy Energy Rating of 4.5 stars year-on-year since occupation, achieved through the application of energy efficient appliances and devices (laptops instead of desktops), as well as occupant-controlled zoned lighting, including a mixture of focused and diffuse lighting matched to the various working environments.



Communities

Residential

As part of our commitment towards energy efficiency, we have successfully partnered with Sustainability Victoria to deliver a number of Zero Net Carbon (ZNC) homes at two of our residential communities in Victoria. The Zero Net Carbon Home Pilot Program will see us design, construct and market two ZNC homes at our Highlands and Braybrook Orion communities. The project provides an opportunity for us to collaborate with two of our volume home builder partners, VCON Homes (Highlands) and Creation Homes (Orion), to deliver zero net carbon homes.

The first phase of the program, delivered during FY19, focused on the development of the ZNC design and construction methodology required to meet the net zero target. In FY20 the construction of the home at Orion was completed. We worked with the project partners to research home buyer drivers and value propositions. The research is being used to develop our communication strategy with potential home buyers to ensure net zero homes can be competitive in the marketplace over the long term.

The FY20 energy targets set for our Residential portfolio focus on the energy and emissions efficiency of the residential product that we build (as opposed to product built by third party builders on land that we sell). These targets aim to deliver a 10 per cent improvement on existing energy and carbon compliance benchmarks established by regulation within the states where we operate, and apply to our built form Medium Density product.

We measured the performance of our homes constructed during the year across all our projects. Data was collected for 556 dwellings across eight projects nationally, including Altrove (NSW), Eastside Highlands, Waterlea and Orion (Vic), Calleya (WA), and Vida at North Lakes, Sway at Oceanside and Bokarina Beach (Qld). Overall we achieved a 46 per cent improvement over compliance benchmarks, which represents over 2000 tonnes (CO₂) per year reduction on carbon emissions compared to homes constructed to regulation in each state. Our Waterlea project in Victoria was our best performer with a score of 96 per cent improvement against code compliance. Initiatives delivered at Waterlea include an average of 7.4 star NatHERS, 5 star air conditioning systems, LED lighting throughout, gas boosted solar hot water, and 3.5kW of solar PV per dwelling. Our NSW projects scored the lowest as a result of the high benchmark established by the BASIX compliance platform, which requires high performance baseline energy requirements for home approvals. We will increase our target from 10% to 15% improvement over

local building code compliance requirements in FY21 in recognition of our FY19 and FY20 results.

Some examples of broader energy and carbon reduction initiatives delivered within our Residential portfolio during FY20 include:

- Mandated 2.5kW of solar on approximately 700 homes at Minta Farm (Vic). A Tesla Powerwall II was also installed at the sales office to showcase the technology to customers.
- Offered 72 homes on Sustainable Drive in Highlands (Vic) 5kW solar and 9.3kWh battery packages in FY19 as part of the team's initiative to help customers make homes more affordable and energy efficient. The solar and battery packs were installed on 42 homes during FY20 and energy data collection established for 30 of these homes.
- Installed solar and battery power supply at the sales office at Kalina (Qld), enabling the office to operate independent of the grid at most times. This set-up enabled the early establishment of the sales and information centre. Sales staff have learned how to operate the solar and battery system to ensure the battery retains sufficient charge to power the office early in the morning before solar panels begin operating.
- Installed LED street lighting at Aura, Birtinya Island and Bokarina Beach (Qld), Calleya (WA) and Willowdale (NSW).
- Mandated Peak Smart air conditioners at Aura on the Sunshine Coast to help manage local energy grid reliance.
- Delivered connected cycle-ways and footpaths at Pallara and Aura in Queensland, helping to connect people and reduce reliance on cars as well as manage urban heat island impacts.
- Established a shade-way at Minta Farm in Victoria to address heat island impacts by planting established trees on either side of a shared, three metre path that runs east to west across the community.
- Implemented covenants on homes built within the our masterplanned communities on the Sunshine Coast requiring cool roofs to be installed to help manage energy use in homes and heat island impacts.
- Commenced an energy efficiency comparison of homes delivered at Elara with code construction homes delivered at Altrove in Sydney. Blower door testing and heat mapping reviews have been completed with embodied carbon modelling in progress.
- Achieved 7 star or greater NatHERS ratings on all homes at our Aura (Sunshine Coast) and our North Shore (Townsville) display villages in Queensland, and our next display village at Cloverton in Victoria will look at incentivising 7 star home construction. Regulation through the National Construction Code around the country generally refers to 6 stars minimum compliance.

With an additional star, home owners will see greater comfort and less reliance on air conditioning, saving money and reducing energy demand. At North Shore we provide a handbook to all customers that provides advice for building a naturally comfortable home appropriate for Far North Queensland conditions.

- Partnered with Blue Tribe Co and NSW Department of Planning, Industry & Environment (DPIE) to develop a mass media program to be filmed and piloted in FY21. The aim of the program is to mainstream sustainable housing through targeted communications to the masterplanned community market.

Retirement Living

Following on from a series of energy efficiency audits completed across the portfolio in FY19, a day and night operational performance audit was completed at Patterson Lakes (Vic) in FY20. Key findings included:

- opportunities to implement solar power to offset daytime electricity consumption from common areas;
- a review of air conditioning operations and controls to reduce unnecessary electricity consumption from common areas due to incorrect temperature set points and user control settings;
- a review of behavioural practices to identify potential inefficiencies in using appliances such as laundry dryers; and
- opportunities to transition fuel types from gas to electric (where there is opportunity to complement with renewable energy and sustainable plant options).

In FY20 Newport Retirement Village (Qld), our newest vertical (apartment style) retirement village, became operational with the first residents moving into their new apartments around September 2019. Newport has been

designed and certified to a 4 star Green Star Design & As Built rating. The village has embedded energy and water efficient design principles as well as natural daylight and ventilation principles (for when ambient conditions permit) for improved occupant health and wellbeing. Newport has been established as an embedded network and designed to be solar ready. In FY20 we completed a feasibility review to determine the solar power generating potential from the available roof space to reduce grid imported electricity. This solar power would be used to serve the village's common areas, including the clubhouse. This application of renewable technology aligns with one of our key CEFC agreement commitments, which is to target a 25% greenhouse gas emission reduction once the village becomes operational and a solar power system has been implemented. For further information on Newport, refer to the case study below.

We continued to review our net zero energy opportunities at Stockland Willowdale Retirement Village (NSW) during FY20, including delivering a workshop with builders and suppliers to create opportunities for industry to support the implementation of energy efficiency measures targeting net zero energy outcomes for homes.

In line with our 2030 Net Zero Commitment for our Retirement Living and Logistics portfolios and Corporate Head Offices, we have continued to review opportunities to implement solar power at a select number of retirement communities to offset common area power consumption. A number of our villages in Victoria are currently engaged in reviewing solar opportunities for their community centres, including at Arilla, Highlands, Selandra Rise, Templestowe and Plenty Valley. Solar systems have been installed to the Bay Village community centre and work-shed.

CASE STUDY

HIGH PERFORMANCE RETIREMENT LIVING

Opened in September 2019, Stockland Newport Retirement Living (Qld) joined Stockland Shine Retirement Village (Qld) in achieving a 4 star Green Star Design & As Built v1.1 rating. Our Newport and Shine retirement villages are the first two retirement living projects in Australia to be certified using the Green Star Design & As Built rating tool, demonstrating our commitment to incorporate best practice sustainable design across energy, water and innovation, as well as create highly connected and accessible communities that enhance liveability.

The Newport coastal-inspired development provides resort-style living, with all apartments built to **Livable Housing** Australia's Silver standard to provide assurance that homes are easier to access, navigate and live in, as well more cost effective to adapt when circumstances change. The apartments integrate passive design principles such as natural ventilation and passive heating/cooling, which actively reduces energy demand while improving comfort and wellbeing. All electric appliances, including reverse cycle air conditioning, are energy efficient, and the site utilises an embedded electricity network to help residents save money on their electricity bills. There is also an efficient centralised site-wide hot water system and an air-sourced heat pump for the swimming pool. These features have helped to achieve an average NatHERS rating of 8 stars across all apartments.

In keeping with Stockland's aim to combat water scarcity, all fixtures have been hand-picked for their WELS rating, including shower heads, taps and toilets. In addition, drip irrigation technology and air conditioning systems based on waterless heat rejection technology (no cooling towers) help to reduce the site's water consumption while also enabling our residents to make savings on their water bills.



Not only are all apartments energy and water efficient, but they are also healthy and enjoyable spaces in which to live. All kitchen exhausts discharge externally, helping remove cooking smells and moisture from the home which can result in the build-up of mould and lead to adverse health effects. We have also specified low VOC paints and carpets to improve indoor air quality. We believe Newport's high-performance apartments provide our residents with appropriate thermal comfort, positively impacting their overall health and wellbeing. We know that health and wellbeing is also enhanced by connection to nature and to community. Residents report that coastal views and regular social catch-ups at the community centre are highlights of the development.

To further raise public awareness around sustainable living, we created a sustainability-themed video, which is now hosted on the Stockland Newport Retirement Living website, and a marketing brochure illustrating the various initiatives embedded within the village.



For more information on high performance retirement living see the customer testimonial can be found at:
<https://youtu.be/qq34eU2HyqA>

Climate Resilience

Why this is important to Stockland

Climate change presents risks and opportunities for our business, and we are committed to identifying, assessing and managing these to support the resilience of our business, assets, communities, customers and people. Climate-related risks and opportunities can be divided into two categories:

1. **Transition risks** – the transition to a low-carbon economy. We acknowledge that Australia and nearly 200 other nations have agreed to the long term goal of limiting global warming to below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels (the Paris Agreement¹). This involves a general movement away from fossil fuel energy and increased deployment of low/zero carbon energy sources and energy-efficient technologies. While these changes present risks, they also create substantial opportunities for organisations focused on climate change mitigation and adaptation solutions. Our **Carbon and Energy Deep Dive** reports on how we leverage these opportunities through our focus on energy efficiency and renewable energy.
2. **Physical risks** – the physical impacts from changes to climatic conditions, including extreme events and gradual changes in climate. These events have the potential to damage our assets, disrupt operations and impact the health and wellbeing of our customers and communities. We are committed to creating climate resilient assets that operate with minimal disruption, as well as building strong communities that are equipped to adapt to climate change risks and opportunities.

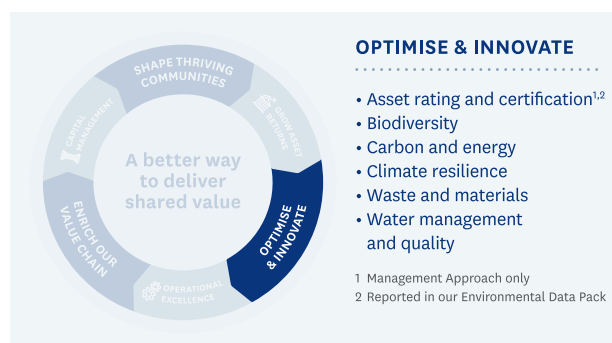
At Stockland we recognise there are also climate-related social risks and opportunities, and so community resilience is integrated as part of our broader climate resilience approach. We have been undertaking community resilience assessments since FY16. Assessing both climate and community resilience allows us to continue to plan for the resilience of buildings and infrastructure as well as the ability of our employees, customers, residents and communities to respond to significant climatic events.

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 Standards² (Comprehensive); and is **third party assured**. The material in this Deep Dive is supported by a wider collection of performance metrics contained in our **Environmental Data Pack**.



This Deep Dive is to be read in conjunction with our published approach to climate resilience, available as part of our sustainability reporting suite at **Our Management Approach to Climate Resilience**.

Stockland's Sustainability Strategy



¹ The central aim of the Paris Agreement is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius (<http://bigpicture.unfccc.int/#content-the-paris-agreement>).

² The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (<https://www.globalreporting.org/standards/>)

Our key achievements

- Recognised as a global leader in disclosure and action on climate change, achieving a place on CDP's Climate A-List for the fourth year in a row (the only Australian company to have achieved this status).
- Developed a Group Resilience Assessment Tool aligning our climate resilience assessments with the Stockland Enterprise Risk Framework to ensure climate related risks are assessed and managed as an integral part of Stockland's risk assessment process.
- Completed six climate and community resilience assessments across our Retirement Living (one), Residential (three) and Retail Town Centre (two) portfolios.
- All Stockland assets located in bushfire catchment areas underwent a Bushfire Preparedness Review in FY20. Completed 59 Bushfire Preparedness Reviews in the lead-up to the 2019/20 bushfire season, encompassing effectiveness of site-specific bushfire management plans, physical bushfire preparedness on site, emergency management, fire systems and training.
- Completed a Climate Change Adaptation Design Workshop for our M_Park Stage 1 Workplace development in Sydney to understand the future impacts of climate change and deliver a more resilient building. M_Park will be Stockland's first 100% electric, net zero carbon building powered by renewables.
- Investigated the extent of water scarcity across Australia to better understand the implications for Stockland's property portfolio and our future role in contributing to water system resilience.

Bushfire Preparedness Reviews

59

completed in FY20

Global leader in climate disclosure

4th

consecutive year in CDP's Climate A List

FY20 targets and progress

Optimise and Innovate

Focus area	Target	FY20 progress	Status	Future priorities
Reduce emissions and improve climate change resilience within our portfolio	Governance Migrate completed climate resilience assessments into new Group Resilience Assessment Tool for all business units, updating results in accordance with new scoring methodology ¹ .	Migrated 62 completed climate resilience assessments into Stockland's new Group Resilience Assessment Tool.	Achieved	
	Risk Assessments Undertake new resilience assessments as required, including new developments and high priority assets as per our national mapping.	Completed six climate and community resilience assessments across our Retirement Living (one), Residential (three) and Retail Town Centre (two) portfolios. Undertook Bushfire Preparedness Reviews across all Stockland assets located in bushfire catchment areas in FY20.	Achieved	Conduct a climate resilience assessment on all new retail town centres, workplace and logistic assets, masterplanned residential communities and retirement living developments, including acquisitions.
	Strategy Establish climate resilience targets and priorities for 2021 and beyond.	Developing climate resilience related targets as part of our 2030 Sustainability Strategy development. This new strategy will be launched in FY21.	In progress	Refresh Stockland's Climate Change Action Plan in FY21 and align to TCFD recommendations.

¹ The new scoring methodology is materially different to the old methodology and new assessments are not directly comparable.

FY20 performance commentary

Over the past year we have continued to align our approach to climate risk disclosure with the recommendations of the Task Force on Climate-related Financial Disclosures (Task Force). This is our third year including climate-related financial disclosures into our **Annual Report**, acknowledging the importance of climate-related risk management for our long-term performance.

Transition risk

The global transition to a low-carbon economy as envisioned by the Paris Agreement and the Task Force presents risks and opportunities for our business. Carbon emission regulation, for example, may impact the pricing of energy required to develop and operate our assets. Our **Carbon and Energy Deep Dive** presents progress in our energy efficiency and renewable energy activities, in which we continue to invest to seize transition opportunities and minimise transition risks.

Over time we have enhanced our approach to climate-related transition risk management by incorporating 2°C scenarios¹ into our corporate climate scenario analysis framework. Our 2°C scenario analysis confirmed that our existing commitments to energy efficiency and renewable energy are appropriate for leveraging low-carbon opportunities. It also raised the profile of risks associated with land development regulation and climate risk disclosure. See our Management Approach on Climate Resilience for more information.

We have also worked with the Green Building Council of Australia (GBCA) as a strategic supporter of its Carbon Positive Roadmap for the built environment. The roadmap establishes the steps required for commercial, institutional and government buildings and fitouts to decarbonise and contribute to global climate targets.

Physical risk

We acknowledge that physical risks associated with climate change can result in negative financial impacts, such as through increased maintenance costs or decreased revenues from disrupted operations. In recognition of these potential impacts, we are committed to creating climate resilient assets and communities with a greater ability to endure severe weather impacts and operate with minimal disruption.

Our focus for FY20 has been to continue the development of our Group Resilience Assessment Tool through the integration of our climate resilience assessments with the Stockland Enterprise Risk Framework to ensure that climate related risks are assessed and managed as an integral part of Stockland's risk assessment process. This tool currently contains 10 years' worth of asset level climate risk assessments (over 62 nation-wide assets) which will be used to better understand Stockland's vulnerabilities to climate change. This includes understanding which assets, business units and geographies have the highest vulnerabilities, what climate hazards are of most concern and where (including heat, bushfire and extreme rainfall), how assets perform and respond over time to various climate hazards, and what assets can do to adapt to the climate risk identified. This extensive climate risk data set will inform better decision-making, enabling the business to evolve its response to both climate risks and opportunities, now and in the future.

¹ A 2°C scenario lays out a pathway and an emissions trajectory consistent with limiting the average global temperature increase to a temperature range around 2°C.

Bushfire preparedness

The unprecedented 2019/20 bushfire season had an impact on several Stockland assets, triggering a crisis management response. Whilst six retirement villages and one shopping centre were temporarily evacuated, no injuries were sustained by Stockland staff or residents and no property damage was sustained.

The risk of bushfires is an inherent risk to Stockland, with over 50 properties located in or adjacent to a bushfire zone. As part of our risk management strategy, annual Bushfire Preparedness Reviews have been undertaken since 2017. These reviews are designed to gauge the level of bushfire preparedness across our 'at risk' assets. These assessments encompass various preparedness elements, including the effectiveness of site-specific bushfire management plans, physical bushfire preparedness on-site, emergency management, fire systems and training. Findings from the 2019 Bushfire Preparedness Reviews (conducted prior to the bushfire season) were very positive, demonstrating progressive improvements in preparedness since the inception of the program in 2017. This level of preparedness was also reflected in our ability to respond to the emergency situations that later unfolded during the 2019/20 bushfire season.

Following the 2019/20 bushfires, several debriefs were undertaken with the relevant asset teams to identify improvements to our preparedness and response models. This has resulted in the further evolution of our Bushfire Preparedness Review program with key changes including:

- Bringing forward the timing of our preparedness reviews to August 2020 (previously October 2020) to prepare for an earlier start to the bushfire seasons.
- Applying a more conservative lens to the assessment of 'at risk' sites. Previously, assessment was based on bushfire maps and bushfire catchment classifications by either the local Council or relevant State Fire Authority. We have now added additional considerations e.g. the proximity to fuel sources, impact of major road closures, likelihood of assets to be used as places of refuge (e.g. retail centres along arterial highways) as well as recent bushfire impact.
- Expanding the scope of our preparedness reviews to include planning for bushfire smoke and hazardous air quality. This will include the identification of staff employees with respiratory conditions (e.g. asthma), monitoring of the local air quality index and safety provisions for outdoor works (e.g. P2 respirators).

Lessons learnt have also led to improvements in our response plan, including changes to the way the Stockland Call Centre is briefed on unfolding emergency situations (particularly after-hours support), improvements to the process around authorising INS (emergency call system) messages, consideration of Rural Fire Service emergency text messaging systems, and the management of residents refusing to evacuate.

Water system resilience

During FY20 we extended our scenario analysis to better understand the extent of water scarcity across Australia and the adaptive capacity of Australian water utilities, including the resilience of water supply and water infrastructure. We will use these insights to further develop Stockland's role in contributing to water system resilience, along with providing greater focus on key climate hazards in the future.

Commercial Property

Climate resilience in operations

We reviewed our Commercial Property assets to identify exposure to physical risk using updated RCP8.5 projections from the IPCC (refer to Our Management Approach to Climate Resilience for more information on our use of IPCC RCP scenarios). Our review was used to inform climate resilience assessments undertaken on two of our Retail Town Centres, at Riverton and Baldivis in Western Australia. We developed action plans for each location using the new climate scenarios to assist in understanding the future impacts of climate change and the most appropriate responses to implement to improve resilience over time.

Climate resilience in developments

We completed a Climate Change Adaptation Design Workshop for our M_Park Stage 1 Workplace project in Sydney ahead of the final design as part of our Green Star strategy for the development. These assessments are undertaken as part of our Green Star Design and As Built rating for each project. The assessment findings inform design in new constructions so that our new projects are not being delivered with inherent vulnerabilities to future climate impacts. A number of recommendations have been included in the design for the project to address stormwater drainage for one in 100-year rainfall events and to utilise soft-scaping, increased tree cover and light-coloured paving to reduce urban heat island effect.

Community resilience

We completed community resilience assessments at the same time of completing climate resilience assessments at two of our Retail Town Centres and the surrounding community, including Riverton and Baldivis in Western Australia. The purpose of the assessments was to understand underlying issues in the local communities around social cohesion, connectivity and economic viability, and to identify opportunities to contribute further to enhancing community resilience through our community development planning process. Examples of themes identified in our FY20 assessments include low education levels, unemployment, disability and obesity. The insights and learnings from the assessments are used to identify community development initiatives with a focus on education, health and wellbeing and community connection (see our Management Approach to Community and our Community Deep Dive).

Communities Residential

In FY20 we assessed the climate and community resilience of three of our residential communities: Minta (Vic), Red Hill (ACT) and West Dapto (NSW). The risk of increased heat stress was identified across all three communities, with recommended actions including the use of more mature trees, shade shelter structures and the installation of solar PV on dwellings. These communities were prioritised for assessment because they were either mapped in priority locations or are new projects. Typical climate related impacts on residential communities arise from potential for bushfire, reduced access resulting from flooding, changes in extreme heat conditions and intense rainfall events.

Other residential communities continued to implement climate resilience initiatives throughout FY20, with our Elara community delivering phase 3 of a riparian corridor, including picnic shelters, bicycle and walking tracks as well as fitness equipment designed to avoid the heat island effect, and at our Newport community, land was raised to cope with a one in 100-year flood.

We applied our first cool roof covenant to homes in our Bells Reach (Qld) project in 2012. We have since continued to apply these covenants at Aura (Qld) on the Sunshine Coast and North Shore (Qld) in Townsville. We have found that the benefits of cool roofs, including improved thermal performance, reduced heating and cooling costs, and reduced urban heat island effect, come at no additional cost to build. Further, since applying the initiative we have worked with suppliers to increase the variety of cool roof options available to the market. We have now standardised cool roofs with a maximum of 50 per cent solar absorbency as a covenant requirement across our new Sunshine Coast projects.

Retirement Living

We regularly update our national mapping schedule to identify those individual villages and developments that have the greatest exposure to climate extremes including heat waves, drought, flooding, storms, cyclones, coastal inundation and bushfires.¹ This approach allows us to prioritise those villages where we need to conduct detailed climate and community resilience assessments. One of the key challenges facing all of our villages is the frequency and intensity of extreme heat events, which increase energy demand for cooling and the need for areas of respite for residents.

In FY20 we completed an assessment at Pine Lakes Retirement Village (Qld), and findings continue to highlight the risk of increased heat stress, extreme storms and impacts associated with bushfire. Operational measures continue to be reviewed at the village level, including cleaning of stormwater drains and roof gutters as well as securing outdoor furniture where there is a risk of high wind conditions.

Industry engagement

We are regularly invited to present at industry forums, conferences and master classes and to participate in task groups and workshops to share our climate resilience expertise and to help shape an industry approach to resilience. In FY20 we presented our work on resilience at several industry forums including the Investor Group on Climate Change (IGCC) Summit in Sydney and the Australian Institute of Refrigeration Air Conditioning and Heating (AIRAH) Forum in Brisbane.

¹ The mapping was last updated in 2019 and remains current for 2020 as the underlying exposures used in the assessment have not been updated.

Waste and Materials

Why this is important to Stockland

We understand we have a role to play in protecting and enhancing the natural, built and human environment. We acknowledge that the development and operation of buildings account for large quantities of waste and material usage, which we can manage to minimise negative impacts.

Waste treatment and disposal can have a major impact on the surrounding environment. Examples include nutrient pollution of groundwater and waterways, air quality issues from incineration, and greenhouse gas emissions from landfills. We take these impacts very seriously and are committed to managing our waste efficiently. We seek to reduce, reuse and recycle our waste whenever feasible, minimising our contribution to landfill.

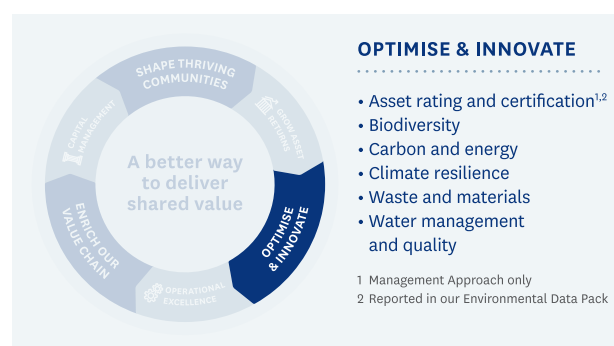
We acknowledge the finite nature of resources and the limited opportunities to dispose of waste. As such, we seek opportunities to implement and transition to a more circular economy, closing material loops by recognising that waste has value and can be designed for reuse and regeneration. We equally acknowledge that the use of virgin materials can have significant impacts on environmental and human health. By identifying recycled, ecologically and health preferable materials, for use in our developments, we are able to deliver tangible environmental, social and business benefits.

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 Standards¹(Comprehensive); and is **third party assured**. The material in this Deep Dive is supported by a wider collection of performance metrics contained in our **Environmental Data Pack**.



This Deep Dive is to be read in conjunction with our published approach to waste and materials, available as part of our sustainability reporting suite at **Our Management Approach to Waste and Materials**.

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/>)

Our key achievements

- Achieved our target of diverting 90 per cent of construction waste from landfill across our Retail Town Centre developments for FY18-20.
- Diverted 98 per cent of waste from landfill across our Residential developments, outperforming our waste target.
- Recycled 100 per cent of plastic waste from civil works at our Aura (Qld) Residential community.
- Diverted over 90 per cent of waste from landfill at our Shine Birtinya (Qld) and Newport (Qld) Retirement Living developments (both independently certified under Green Star Design & As Built rating).
- Developed new Waste Management Plans for our Retail assets, outlining different waste streams, recycling opportunities and how waste is managed. Waste Management Plans for our Workplace and Business Parks assets to be completed in FY21.

Diverted from landfill

90%

construction waste in Retail developments

Recycled plastic waste

100%

from civil works at Aura

Diverted from landfill

98%

civil contractor waste in Residential

FY20 targets and progress

Commercial Property

Optimise and innovate

Focus area	Target	FY20 progress	Status	Future priorities
Reduce, reuse and recycle waste in operations	Achieve a minimum 45 per cent landfill diversion rate between FY18 and FY20 for Retail Town Centres and Workplace and Business Parks.	Achieved 36 per cent landfill diversion rate for Retail Town Centres and 36 per cent for Workplace and Business Parks for the three-year period FY18-20. The new Waste Options waste and recycling contract will see greater landfill diversion rates across multiple waste streams in FY21.	Not achieved	Achieve a minimum of 45% waste diversion for Retail Town Centres and Workplace and Business Parks.
Reduce, reuse and recycle waste in developments	Achieve a minimum 90 per cent landfill diversion rate between FY18 and FY20 for developments seeking Green Star Design & As Built certification.	Diverted 90 per cent of waste from landfill across four Retail Town Centre developments at Birtinya (Qld) Baringa (Qld), Wendouree (Vic) and Green Hills (NSW) for the three-year period FY18-20.	Achieved	Maintain minimum of 90% waste diversion for developments seeking Green Star Design & As Built certification.

Communities

Optimise and innovate

Focus area	Target	FY20 progress	Status	Future priorities
Reduce, reuse and recycle waste in operations	Achieve a minimum 60 per cent waste diversion from landfill for all new Residential civil construction contracts by FY20.	Diverted 98 per cent of civil contractor waste from landfill. Achieved over 90 per cent diversion from landfill since 2015.	Achieved	Achieve a minimum 90 per cent waste diversion from landfill for all new Communities civil construction contracts.
	Embed new contract with Waste Options and implement three new waste initiatives across portfolio in FY20.	Embedded new contract with Waste Options across multiple villages.	In progress	Identify three new waste management initiatives for delivery across the portfolio.
	Set a portfolio waste diversion target for FY21 across villages to be included in Waste Options contract.	Contract negotiation and review of opportunities for Retirement Living villages delayed the establishment of a portfolio waste diversion FY21 target.	Not achieved	Set a portfolio waste diversion target for FY21 across villages to be included in Waste Options contract for implementation in FY22.
Reduce, reuse and recycle waste in developments	Expand application of our sustainability contractor schedule from civil contracts to include built form contracts.	Stockland's development process has been reviewed during FY20. A full sustainability review of each stage is underway and will be complete in FY21, helping us to identify the most effective ways to contract waste initiatives with our builders.	In progress	Review feasibility of inclusion of waste targets or initiatives into built form contracts.
	Conduct a minimum of one life cycle assessment (LCA) on a Retirement Living development project in FY20.	There were no new RL developments delivered during the year, however we are conducting an LCA on medium density homes at Altrove and Elara (NSW).	In progress	Explore opportunities to continue to conduct LCA assessments to better understand life cycle, embodied energy and supply chain impacts based on learnings from current assessment.

Transitioning targets for FY21

Due to the business challenges associated with the COVID-19 pandemic, we have delayed the launch of our new 2030 Sustainability Strategy and its associated long-term targets. Our new strategy and next three-year cycle of waste and materials targets (FY22-24) will be launched in FY21. Where feasible, we have rolled over our FY20 three-year targets for an additional year to maintain our focus on sustainable outcomes for our stakeholders.

FY20 performance and case studies

Development waste

Commercial Property

Our Retail Town Centre development projects in FY20 included the final stages of construction at Stockland Baringa on the Sunshine Coast. The project is registered for a Green Star Design & As Built rating, targeting 5 stars. Construction waste targets are a core commitment for the development, with a target diversion rate of 90 per cent.

For FY20 the project achieved a landfill diversion rate of 83 per cent in its final month of construction, however for the

whole of the project, a rate of 95 per cent was achieved, exceeding the target set.

For the three-year period FY18-20, we diverted 90 per cent of construction waste from landfill across four Retail Town Centre developments at Birtinya (Qld), Baringa (Qld), Wendouree (Vic) and Green Hills (NSW), achieving our target commitment.

Our next project will be commencement of the first stage of our M_Park Workplace campus development in Macquarie Park in Sydney. Construction is expected to commence in the first half of FY21 and will be completed in 2022.

Retail Development Waste Profile (tonnes)

	FY18-FY20	FY20	FY19	FY18	FY17	FY16
Total waste	5,284	35	878	4,371	1,396	3,253
Waste recycled	4,768	29	829	3,910	678	2,684
Waste to landfill	152	6	50	461	718	569
Diversion from landfill	90%	83%	94%	89%	49%	83%
Developments included (% by project value)	100%	100%	100%	100%	96%	100%

Communities

Our FY20 diversion from landfill rate for residential masterplan developments was 98 per cent, exceeding our target rate of 60 per cent. There has continued to be an increase in the diversion of waste from landfill due in part to improved management of waste on site and because several larger residential community projects no longer require the export of large amounts of debris from site. We have a number of excellent individual project results, such as Aura (Qld) where 100 per cent of plastic waste from civil works was able to be recycled.

Examples of waste reduction and diversion through civil and landscape works include:

- **Timber:** Timber salvaged from project sites is commonly mulched and reused for landscape and conservation area establishment, weed management, and soil and stream stabilisation. Timber is also reused on site to create nature playspaces, such as at Sienna Wood (WA), or to create landscape furniture, for example at Willowdale (NSW). Timber and excess rock has also been used in natural area rehabilitation works at North Shore, Bokarina Beach and Foreshore (Qld), and as riparian corridor restoration and nesting box construction at Willowdale (NSW).
- **Topsoil and fill materials:** We manage materials onsite through reuse of fill materials, for example at Kalina, Pallara and Foreshore (Qld), where civil works materials

were balanced across the site. We also reuse topsoil removed from roadways and construction areas to improve soil quality and depth at landscape and open space areas. Where we have surplus concrete or asphalt, we have crushed and reused it onsite, for example in retaining walls and by our community partner Earthcare in the construction of community gardens, such as at Calleya (WA).

- **Plastics:** Returning plastic potting containers to nurseries rather than including them in waste landfill is becoming more common, for example at Highland Reserve and Riverstone Crossing (Qld) where pots from landscaping and conservation revegetation works are collected by the suppliers for washing and reuse. At Highland Reserve, plastic material from construction activities are being reused to create fauna nesting and habitat islands. At our Aura project (Qld), specific recycling targets have been achieved onsite during FY20, including 100 per cent of plastic waste from civil works and 90 per cent of polypipe.
- **Buildings and materials:** We will often reuse or repurpose our sales centres instead of removing them once they are no longer required. For example, we have recently rebranded our North Lakes (Qld) Retirement Living village sales and information centre to support our residential Promenade project at Rothwell (Qld).

The table below summarises the waste streams from our greenfield Communities developments.¹

Communities Development Waste Profile (tonnes)

	FY20	FY19	FY18	FY17	FY16
Total waste	49,567	41,093	19,625	41,237	35,424
Waste diverted from landfill	48,633	40,430	18,441	39,923	33,881
Waste sent to landfill	934	663	1,184	1,314	1,542
Diversion from landfill	98%	98%	94%	97%	96%

¹ Data on construction waste generated by contractors at sites where we do not have operational control (e.g. brownfield or sites with a single principal contractor) is not collected or reported. Note that due to the nature of greenfield developments, the waste figures generated on a per-year basis do not necessarily reflect the level of activity for that year as waste can be stored for a period of time onsite until reused or exported offsite to landfill when the space becomes unavailable.

Operational waste

Commercial Property

In FY20 we continued to monitor and analyse our waste data streams to understand where opportunities exist to further improve the levels of recycling at our Retail Town Centre, Workplace and Business Park sites. Our Retail Town Centre operations diverted 36 per cent of waste from landfill, while our Workplace and Business Parks operations diverted 36 per cent of waste from landfill, falling short of our 45 per cent diversion targets. One of the reasons for the shortfall was the delay in the appointment of our new waste contractor, Waste Options.

As part of a group-wide tender, including Retail Town Centres, Workplace and Logistics assets and a number of Retirement communities, we completed a national tender to engage a head contractor responsible for waste and recycling services under an integrated waste management services contract. The new national waste contract with Waste Options was formally agreed during FY20 and will track performance against contract criteria for reporting and landfill diversion, and allows for standardised reporting across the portfolio, optimisation of costs and monthly commentary on anomalies. Our continued focus on waste management across our portfolio, combined with enhanced data quality and completeness, will assist us to meet our FY21 target of 45 per cent diversion.

Operational waste (tonnes)

The quality of our waste data is dependent on the quality of information provided to us by our waste contractors. This

is why we have been working closely with Waste Options over the last year to incorporate the new Better Buildings Partnership (BBP) Operational Waste Reporting Guidelines, developed through an industry partnership with the City of Sydney, contractual performance targets and potential initiatives to improve our diversions. Having one national contractor for waste provides consistency in the quality and standard of the data being reported across our portfolio.

In FY20 new Waste Management Plans have been developed for our Retail Town Centre assets. These plans outline different waste streams, recycling opportunities and how waste is managed. Waste Management Plans for our Workplace and Business Parks assets are to be completed in FY21. Opportunities outlined in the Waste Management Plans will be reviewed in FY21 to determine the viability of each initiative and what should be implemented.

Retirement Living

The new waste contract with Waste Options includes 31 Retirement communities. We will work with our national waste contractor to establish a portfolio performance baseline to monitor, reconcile and interrogate the waste and recycling data and further improve the accuracy and quality of the information that is provided by our contractors. This information will be used to develop future portfolio-wide diversion targets and to identify possible additional waste separation streams, such as e-waste and battery recycling opportunities, to help improve waste diversion rates.

Operational waste (tonnes)

	Retail Town Centres					Workplace and Business Parks				
	FY20	FY19	FY18	FY17 ¹	FY16	FY20	FY19	FY18	FY17 ¹	FY16
Total waste	14,367	17,265	17,577	17,351	17,895	531	1,007	1043	1,193	1,182
Total waste to landfill	9,212	10,768	11,730	11,969	10,858	339	712	661	739	680
Total waste recycled	5,155	6,497	5,846	5,382	7,038	192	295	383	454	502
Diversion from landfill (%)	36%	38	33	31	39	36%	29	37	38	42
% portfolio reporting	97	97	97	95	95	70	85	85	85	100

¹ FY17 data restated due to contractor reporting error.

Materials

There has been continued industry attention on non-conforming and non-compliant building materials as well as materials that carry a lower environmental footprint, both in the context of supply chain verification and asset management. We undertake comprehensive materials verification processes in our construction projects, including applying the Stockland Materials Schedule. This materials schedule outlines the minimum verification and certification requirements regarding the materials' quality, human rights practices, environmental standards and health standards. We have also been responsive to new and anticipated legislation relating to façade cladding on our existing asset portfolio.

Initiatives implemented in FY20 to reduce the impacts of materials in our developments include:

- Establishing a baseline suite of sustainability initiatives in our sustainability contractor schedule required in new civil contracts, including opportunities for project-specific initiatives to be delivered through our contractor partners. The schedule enables us to be clear on our waste management and product and material selection expectations for each development.
- Utilising 'green concrete' or concrete where traditional aggregates are substituted for fly ash on our Western Australian projects. Similar products, Ultramax and

E-crete, are being used at Cloverton and Highlands (Vic). We also began investigating options for substituting raw materials such as aggregates from coal by-products and recycled plastics in our construction processes, such as roadways and pavements. At Whiteman Edge (WA) we delivered 1km of roadway using Reconophalt. Reconophalt uses recycled plastic as a substitute for raw materials in road asphalt (refer to case study). We have established an internal working group to look at how we can drive greener asphalt products into our projects across the country and will continue to work with suppliers in FY21 on product availability and appropriateness for use on selected projects.

- Trialling other sustainable products, including a bio-diesel substitute in lieu of traditional diesel at Cloverton (Vic). At our North Shore (Qld), Altrove (NSW) and Highlands (Vic) projects we are installing recycled plastic landscape elements such as garden edging bollards and seating. At Foreshore we have successfully trialled a water-based prime in paving construction instead of traditional oil-based prime, reducing contamination risk to the surrounding wetland.
- Developing the "Sustainable Procurement for your Supply Chain" online education module in partnership with the Supply Chain Sustainability School. This module is aimed at project teams who want to improve their knowledge of Sustainable Procurement opportunities.

CASE STUDY

WHITEMAN EDGE RECONOPHALT TRIAL

As a real estate owner, manager and developer, we recognise the choices we make can help solve some of society's most pressing environmental issues. One issue we are working to help solve is the issue of plastic pollution. Of the 8.3 billion metric tons of plastic ever produced, 6.3 billion metric tons has ended up as waste and of that, only 9% has been recycled. Civil construction is the second largest industry sector driving demand for plastic, accounting for 19% of all plastic in the world.

In response to this and to help limit our impact, Stockland have been trialling a new 'green asphalt' known as Reconophalt. Our Whiteman Edge Reconophalt trial in Western Australia has delivered 1 kilometre of road, replacing traditional asphalt with a product made of 30% recycled content, diverting the equivalent of 500,000 plastic bags, 165,000 glass bottles and 12,000 printer toners from landfill.

The benefits of Reconophalt are not limited to saving plastic. When compared to traditional asphalt, Reconophalt will result in an increase in asset life and performance, a 30% carbon emission reduction, and a cost neutral outcome based on whole of life.

In order to leverage the success of the Whiteman Edge trial, a National Asphalt Review is underway with the objective of delivering a roadmap to 2030 that introduces a sustainable alternative to traditional asphalt whilst maintaining volume, cost and time certainty in delivery.



Water Management and Quality

Why this is important to Stockland

Water is essential for environmental and social health. It also enables us to develop and manage our assets and plays an important role in making our communities and assets attractive, healthy and efficient places in which our customers want to live and work.

Australia's climate is characterised by variability, featuring long-term drought, water scarcity (often resulting in water restrictions) and severe flooding. As a responsible property developer, we consider where water is sourced, how efficiently it is used and how quantity and quality is managed. We maintain a strong focus on water management and quality in the development and operation of our assets, including improving the quality of rainwater run-off leaving our project sites, access to alternate water infrastructure and practical innovation to support more efficient water use.

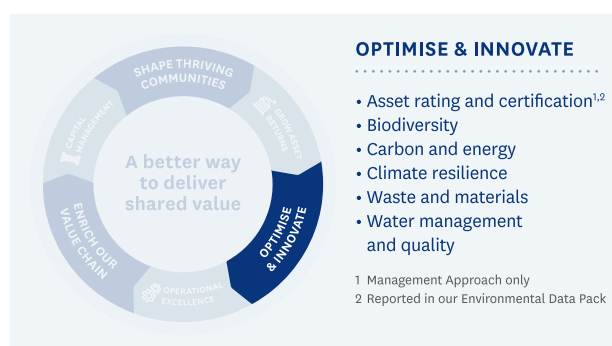
Maintaining effective water management systems to minimise consumption and manage water quality is a key priority. Effective systems deliver significant benefits to the environment and promote performance and cost efficiencies across our projects and operations.

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This Deep Dive is to be read in conjunction with our published approach to water management, available as part of our sustainability reporting suite at Our **Management Approach to Water Management and Quality**.

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/>)

Our key achievements

- Reduced water intensity of our Retail Town Centre portfolio by 11 per cent compared to our FY17 baseline.
- Connected 14 of our residential sales offices to rainwater or centralised recycled water supply.
- Achieved a 9 per cent improvement over local compliance requirements, saving 7.6ML of water and exceeding our residential built form water consumption design target of 5 per cent.
- Investigated the extent of water scarcity across Australia to better understand the implications for Stockland's property portfolio and our future role in contributing to water system resilience.

Water intensity reduced

11%

in our Retail Town Centre portfolio since FY17

Water savings

9%

improvement over code compliance

FY20 targets and progress

Commercial Property

Optimise and innovate

Focus area	Target	FY20 progress	Status	Future priorities
Focus on water efficiency and sustainable sourcing	Reduce water consumption by five per cent by FY20 in our Retail Town Centre portfolio against the FY17 baseline.	Achieved 11 per cent reduction against the FY17 baseline	Achieved	Maintain water intensity in our Retail Town Centre portfolio at the FY20 baseline.
	Reduce water consumption by five per cent by FY20 in our Workplace and Business Parks portfolio against FY17 baseline.	Achieved 14 per cent reduction against FY17 baseline	Achieved	Maintain water intensity in our Workplace and Business Parks portfolio at the FY20 baseline.
	Achieve a NABERS Water portfolio average of 3.5 stars for our Retail Town Centre portfolio by FY20.	Achieved a portfolio average NABERS Water rating of 3.41 stars. Achieving high NABERS Water ratings in Retail is challenging due to the impact of high-water-consuming tenants.	Not achieved	Maintain an average NABERS Water portfolio rating in our Retail Town Centre portfolio at the FY20 baseline.
	Achieve a NABERS Water combined portfolio average of 4 stars for our Workplace and Business Parks portfolio by FY20.	Achieved a combined portfolio average NABERS Water rating of 3.76 stars. Achieving NABERS Water ratings continues to be difficult in the Workplace and Business Parks portfolios as these assets typically have water features, end of trip facilities and large landscaped areas that require high maintenance.	Not achieved	Maintain an average NABERS Water portfolio rating in our Workplace and Business Parks portfolio at the FY20 baseline.

Communities

Optimise and innovate

Focus area	Target	FY20 Progress	Status	Future priorities
Focus on water efficiency and sustainable sourcing	Exceed relevant minimum water consumption compliance standards in our residential homes by five per cent by FY20.	Achieved a 9 per cent improvement over code compliance.	Achieved	Exceed relevant minimum home water consumption compliance standards by five per cent in our residential communities and retirement villages in FY21.
	Establish a water efficiency program that embeds the recommendations derived from the sub-metering and monitoring pilot and seeks to achieve a five per cent water efficiency target for villages in sub metering by FY20.	Pilot was not continued in FY20 due to monitoring vendor ceasing operations.	N/A	Develop sustainability plans for each Retirement Living village that incorporates water profiles and potential efficiency opportunities and NABERS targets.
	Complete an operational efficiency review of our three most water intensive retirement living communities.	Analysis could not be completed due to monitoring vendor ceasing operations.	N/A	Develop sustainability plans for each Retirement Living village that incorporates water profiles and potential efficiency opportunities and NABERS targets.
Deliver projects that minimise water use and minimise our impact on water quality entering natural waterways	<p>All new residential masterplanned communities and built form projects over 500 dwellings to deliver the following modelled water quality targets when discharging water from our site into natural water systems:</p> <ul style="list-style-type: none"> • 45 per cent reduction in nitrogen • 65 per cent reduction in phosphorus • 85 per cent reduction in suspended solids 	In FY20 there were no projects for which Water Sensitive Urban Design (WSUD) strategies were finalised, however 73% of our projects have achieved all of our WSUD targets against modelled base case since 2015.	Not achieved	<p>All new residential masterplanned communities and built form projects over 500 dwellings to deliver the following modelled water quality targets when discharging water from our site into natural water systems:</p> <ul style="list-style-type: none"> • 45 per cent reduction in nitrogen • 65 per cent reduction in phosphorus • 80 per cent reduction in suspended solids

Transitioning targets for FY21

Due to the business challenges associated with the COVID-19 pandemic, we have delayed the launch of our new 2030 Sustainability Strategy and its associated long-term targets. Our new strategy and next three-year cycle of water targets (FY22-24) will be launched in FY21. Where feasible, we have rolled over our FY20 three-year targets for an additional year to maintain our focus on sustainable outcomes for our stakeholders.

FY20 performance and case studies

Commercial Property

NABERS Water Ratings

Retail

Following the NABERS Water ratings undertaken in FY20 on our Retail Town Centre portfolio, the area weighted portfolio average has improved to 3.41 stars (3.35 stars in FY19) however we have not achieved our target of 3.5 stars for FY20 in absolute terms. This year we have rated some of our smaller retail centres for the first time, including Harrisdale (NSW), Balgowlah (NSW) and Birtinya (Qld), with the introduction of a new NABERS methodology for rating small retail centres. Therefore, considering changes in the rated portfolio for FY20, including some asset sales, the like for like portfolio average is 3.6 stars.

Achieving high NABERS Water ratings in retail is challenging due to the impact of high-water-consuming tenants such as seafood markets, food courts, gymnasiums and hair salons. Four retail assets received an improved rating, while five assets received a lower rating. Twelve retail assets out of 26 achieved 4 stars or better and three have achieved 5 stars.

Workplace and Business Parks

In our Workplace and Business Parks portfolio, the NABERS Water area weighted portfolio average has improved to 3.83 stars (3.61 stars in FY19) for Workplace and 3.70 stars (3.26 stars in FY19) for Business Parks. The combined NABERS Water portfolio average for FY20 is 3.76 stars. This is an increase on FY19 (3.47 stars) however we have not achieved our target of 4 stars for FY20 in absolute terms or on a like for like basis, taking into account asset sales and vacancy.

The average excludes the Durack Centre and 2 Victoria Avenue (WA) and Optus Centre (NSW) due to faulty utility metering and consumption estimates, which prevented ratings being undertaken this year (faulty meters have since been replaced and we will have ratings for these two locations in FY21). There are no ratings this year for 11-17 Khartoum Road Macquarie Park (NSW) as this site is subject to redevelopment, and 350 Wellington Road Mulgrave (Vic) due to vacancy during refurbishment.

Achieving NABERS Water ratings continues to be difficult in the Workplace and Business Parks portfolios as these assets typically have water features, end of trip facilities and large landscaped areas which require high maintenance activities to ensure they continue to present well to tenants. Two Workplace and Business Park ratings fell and four improved, with four assets out 14 achieving 4 stars or better.

More information on our NABERS Water ratings is provided in our [Environmental Data Pack](#).

Initiatives and performance metrics

In FY20 we continued to see the benefits of our comprehensive sub-metering network across our Commercial Property assets, with the installation of additional water sub-meters across nine Logistics assets taking the total sub-meters to 42. We also saw savings of 95,000kL (in prevented leaks) for Retail assets over the course of the year.

We track our water consumption on a per square metre intensity basis as a means of taking divestments and investments into account. The table below outlines our year-on-year water intensity in Commercial Property over the last five years.

Commercial Property water consumption intensity (kL/m²)

	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks	0.55	0.62	0.67	0.64	0.65
Retail Town Centres	0.97	1.05	1.04	1.09	1.11
Total Commercial Property	0.88	0.96	1	1	1

Commercial Property water consumption intensity reductions

	Annual Intensity Change (%)				
	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks	-11%	-7%	5%	-5%	12%
Retail Town Centres	-8%	1%	-5%	-2%	0%
Total Commercial Property	-8%	0%	1%	-5%	4%

Communities

Residential

Residential contractor water data varies from year to year due to activities such as filling lakes in large developments and location-specific variables such as natural rainfall, project life cycles, market conditions, site management techniques and local landscaping requirements set by councils. In addition, contractors self-report water data and we do not review each contractor's data collection processes. This year we upgraded our contractor reporting system to enhance contractor reporting processes.

Water efficiency

Our current Residential water targets (set in FY18) focus on the performance of our built form product, which is under our control. These targets aim for a five per cent improvement in the performance of built form product by FY20, compared with existing water reduction compliance benchmarks established by regulation within the states where we operate. We model and analyse the performance of our built form product in our Residential communities in order to understand water-related initiatives that we could include in our designs to exceed compliance requirements by five per cent or more. During FY20 we modelled and analysed the performance of 566 homes, and we achieved a 9 per cent improvement against water benchmarks, representing a saving of 7.6ML per year when compared to homes built to regulation. This result is largely attributable to the installation of water-efficient fixtures and appliances, rainwater tanks and water-efficient landscaping.

Other water efficiency initiatives delivered in FY20 include:

- Collecting rainwater run-off in basins for reuse to suppress dust at our South East Queensland projects, including Newport, Vale, Pallara, Augustine Heights, Highland Reserve, Pallara and Foreshore.
- Connecting 14 of our sales offices to either rainwater or centralised recycled water supply.
- Using passive irrigation and low-water tolerant species such as Australian native plants in our landscaping, public open space and verges, minimising irrigation requirements at a number of projects across the country such as Willowdale (NSW), Whiteman Edge (WA), Sienna Wood (WA) and Sovereign Pocket (Qld).

- Delivering parks in Western Australia, such as at Sienna Wood, during winter to improve water saving and survival rates of landscaping.
- Installing in-ground rainwater tanks on all our Medium Density homes at our Altrove project in North West Sydney.
- Requiring all front landscaping at Calleya in Western Australia, to be designed in accordance with WA Water Corporations Water Wise Garden standards.
- Making mandatory the installation of rainwater tanks on all homes on lots greater than 225m² at Aura on the Sunshine Coast. Also providing education opportunities for new residents via access to information about water efficiency at display villages and as part of our resident welcome packs.
- Connecting a number of our Victorian projects to centralised recycled water schemes, for example, the irrigation of open space at Cloverton is serviced by recycled water.

Water quality

We use Water Sensitive Urban Design (WSUD) strategies at our residential developments to minimise the impact these developments have on water quality entering our natural waterways. In FY20 there were no projects for which WSUD strategies were finalised, however 73% of our projects have achieved all our WSUD target reductions against modelled base case since 2015. When we looked at each target individually, 14 out of 15 projects achieved our nitrogen 45% reduction target, 13 out of 15 achieved our phosphorus 65% reduction target and 6 out of 15 projects achieved our suspended solids (SS) 85% reduction target.

We engaged Alluvium WSUD consultants to better understand our results. Alluvium concluded that SS 85% was a particularly ambitious target and would come at significant cost to projects if we were to drive the target hard. When we reduced the SS target in line with most jurisdictions across the country to 80%, we achieved 14 out of 15 projects, achieving compliance and an overall performance score of 91% across the three water quality measures. We concluded that we would amend the target in line with the performance requirements of local authorities and government organisations for FY21 and that we would look at what cost and benefit would be derived from establishing a suite of stretch targets beyond FY21. It is important to note that our results reflect the quality of water leaving our site boundary and in some cases we will agree with local authorities to make a contribution to a wider catchment strategy rather than undertake water quality initiatives on our site. In these circumstances the wider catchment result may not be reflected in our results shown in this document.

WSUD applications are generally aimed at delivering water quality improvement following completion of development. We also minimise pollution during construction through delivery of sediment and erosion control plans. Water run-off is captured in basins and treated with flocculents to allow suspended solids and pollutants to settle out of the water column.

Retirement Living

We engaged in a pilot study at The Willows (NSW) and Tarneit Skies (Vic) to monitor water consumption. The pilot commenced monitoring in FY17 and ceased in FY19 as a result of the monitoring vendor ceasing operations. At that point in time the monitoring for water at the village site level was highlighting a 13.7 per cent increase in water consumption at Tarneit Skies (Vic) and 36 per cent decrease in water consumption at The Willows (NSW). These performance results were inconclusive given that the project was incomplete and other village specific variables such as residential unit vacancies, weather conditions and unintended water usages were not considered. There were a number of observations made that will feed into future water efficiency reviews, such as the need to establish more granular sub-metering to differentiate between common area and residential units' usage. This will help to define behavioural usage patterns and ultimately improve our analysis for water management and conservation.

In FY20 we continued to meter and monitor using the WaterGroup IoT water meter at MacArthur Gardens (NSW). The change from a standard utility meter to a "smart" meter for water has meant consumption can be monitored online via a portal.

CASE STUDY

DELIVERING WATER RESILIENT COMMUNITIES

In March 2020 Stockland purchased The Gables, a 293 hectare masterplanned community at Box Hill in Sydney's North West. The project is located close to rail and town centres and includes 75ha of parks and a large lake. Over the life of the project we will deliver around 1,900 homes to The Gables community.

Unique to The Gables is the way water is supplied to the project. New homes will be connected to a sustainable water network providing recycled water as well as drinking water, saving money for residents and reducing the burden on Sydney's potable water supply. Recycled water can supply up to 70% of resident requirements, including gardens, toilets, washing machines, and irrigation of public parks and open space. The water recycling and supply system is operated by Box Hill Water, an independent utility providing recycled water and sewer services to the community, while Sydney Water will provide drinking water. Box Hill Water will harvest wastewater from household kitchens, bathrooms and toilets, extract clean water and provide it back to homes and public spaces through the recycled water purple pipes.

After witnessing one of the worst droughts on record during 2020, Stockland's ambition to improve the water resilience of our communities and cities has never been stronger.

We are reviewing opportunities to build greater water and drought resilience around the country. In fact, we will be introducing new strategic objectives into our projects that require all our masterplanned communities to investigate whole of water cycle management opportunities, which will result in water savings. With the purchase of The Gables we have made a great start.



Employee Engagement, Development, Diversity and Inclusion

Why this is important to Stockland

High employee engagement leads to reduced employee turnover, improved productivity and better business outcomes. Most importantly, engaged employees are happier: both at work and in their personal lives.

Building a diverse and more inclusive workplace enables greater breadth of thought and more informed decision-making, and is proven to increase profitability.

Developing our employees' capabilities enables them to deliver on our business strategy and purpose, to drive continuous improvement and enhance performance.

We also place a great focus on employee health and wellbeing. Improved wellbeing and psychological safety enhances job performance, employee satisfaction and retention, and the achievement of organisational goals and objectives.

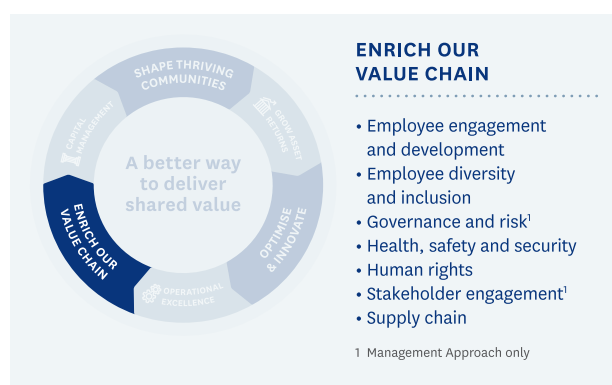
Measuring and monitoring our performance helps us to continually improve and drive better outcomes.

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 Standards¹(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 **management approaches to employee engagement and development**, as well as to **diversity and inclusion**, available on our [website](#) as part of our sustainability reporting suite.

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/>)

Our key achievements

- Recognised as leaders in diversity and inclusion: WGEA Employer of Choice for Gender Equality for the sixth year in a row; ranked sixth on Equileap's Global Top 100 gender-equal companies; and achieved Bronze Status in the 2020 Australian Workplace Equality Index (AWEI).
- Focused on strengthening the Stockland culture through an integrated program of work across leadership, structure, capability, processes and systems.
- Increased employee engagement through regular and dynamic employee listening strategy, including focused pulse surveys during the COVID-19 pandemic.
- Launched Leader Zone, an online learning resource to support all employees to enhance their leadership capability.
- Amplified our focus on flexible work in response to COVID-19 and fast-tracked flexible and remote working, with MS Teams collaboration technology rolled out to 100% of employees in 14 days.
- Implemented a multi-faceted wellbeing support program working with our CARE Foundation partners to support the mental health of our employees during COVID-19 containment and recovery.
- Updated our **What Stockland Expects from its Suppliers** policy, influencing the diversity and inclusiveness of our supply chain.
- Launched our updated Domestic and Family Violence (DFV) Policy and ran a *16 Days of Activism to end Gender-Based Violence* leadership-led campaign to raise awareness of DFV and to promote the support we provide our people.

Employee engagement

82%

4 points higher than Australian national norm

Women in management

46.7%

(40/40/20 women in management)

FY20 targets and progress

Enrich our value chain

Focus area	Target	FY20 progress	Status	Future priorities
Enhancing employee engagement	Maintain an employee engagement score of 80% or above, and above the Australian national norm.	Achieved an 82% employee engagement score measured through in Our Voice, four points higher than the Australian national norm.	Achieved	Maintain an employee engagement score of 80% or above, and above the Australian national norm.
Enhancing the diversity of our workforce and building on our inclusive culture	Achieve a Diversity & Inclusion (D&I) Index score, as measured by Our Voice survey, 4% above Australian norm and meeting global high performing norm.	Achieved a D&I Index of 85.67 which is 5% above the Australia norm and 6% above the high-performing norm	Achieved	Achieve a Diversity & Inclusion index score, as measured by Our Voice survey, 4% above Australian norm and meeting global high-performing norm.
Maximising diversity in leadership positions	Women in Management: 45-50%	46.7%	Achieved	40% Women in Management (in line with our gender balanced workforce of 40/40/20 across all levels)
	Women in Senior Management: 42-47%	40.4%	In progress	40% Women in Senior Management (in line with our gender balanced workforce of 40/40/20 across all levels)
	Leadership team (ExCo/GMs): 40-45%	37.5%	In progress	40% Women in Leadership Team (in line with our gender balanced workforce of 40/40/20 across all levels)
Enable the equitable attraction, retention, development and remuneration of all genders at Stockland	Maintain the gender pay equity ratio between 97-103%	99.2%	Achieved	Maintain gender pay equity ratio between 97-103%
	WGEA Employer of Choice	Achieved WGEA citation	Achieved	Achieve WGEA citation
Creating a more inclusive workplace	10% improvement in Australian Workplace Equality Index (AWEI) score and Bronze status	Achieved 23% increase in AWEI score Bronze status	Achieved	Achieve 10% improvement in Australian Workplace Equality Index (AWEI) score and Bronze status
Supporting cultural participation, access, and the right to express and interpret culture	Deliver progress against our RAP, including offering two internships for Aboriginal and Torres Strait Islander students through our Career Trackers pilot in FY20	Achieved progress against our RAP, including supporting three Career Tracker Interns.	Achieved	Deliver progress against our RAP, including developing a cultural learning program and at least one internship for an Aboriginal and Torres Strait Islander student through our Career Trackers pilot in FY21.
Supporting employee mental, physical and personal wellbeing	Achieve a Wellbeing Index score (previously Work Life Quality score) at 3% above Australian Norm and meet global high performing norm measured through Our Voice survey.	75% (6 per cent above Australian Norm and equal to global high performing norm)	Achieved	Maintain our Wellbeing Index Score at 3% above the Australian Norm and meet global high performing norm.
	Achieve an improvement in "I feel anxious at work" result in Our Voice by achieving a score of 65% in FY20.	55%	In progress	Achieve an improvement in "I feel anxious at work" result in Our Voice by achieving a score of over 55% in FY21.

Enrich our value chain

Focus area	Target	FY20 progress	Status	Future priorities
Making flexibility business as usual	Maintain the percentage of employees with flexible working arrangements, as nominated by their One Simple Thing, at or above 80% in FY20	78%	In progress	Increase number of employees working flexibly to over 80% as measured by employee pulse survey.
	Maintain overall parental return rates of 90%	84%	In progress	Achieve parental return rates of 80%.
Organisational Culture & Capability	Implement outcomes of organisational culture review, with an integrated program of work across systems, capability, leadership, processes and structure	Engaged with senior leaders on the changes required to enable us to continue to evolve and grow the company in a dynamic and new operating environment.	Achieved and in progress	Implement the second phase of Strengthening Stockland to build greater customer centricity, innovation, accountability and faster decision-making.
		Supported managers to cascade the Stockland strategy and cultural priorities to our people through Team Talks.		Develop and define our 'new ways of working', taking the positive learnings from the COVID-19 pandemic to drive more collaborative, productive and sustainable habits for our workforce. This includes establishing our new Stockland model for the 'Future of Work'.

FY20 performance and case studies

Employee engagement

Employee experience and communication

In FY20 we enhanced employee communication and simplified daily processes to enhance the employee experience. We conducted quarterly Leadership Team Updates (one-day sessions) focusing on business updates and strategic alignment, and introduced a new Team Talks channel of communication to support managers in cascading key information including strategic priorities. We have also improved employee access to key information, establishing the People Hub on our employee intranet, a one-stop shop for all employee-related information including wellbeing support, learning and development, and performance management.

These initiatives complement our existing employee communications, including employee intranet (StockXchange), Yammer, regular leader communications and Employee Roadshows. We continued to reinforce our CARE values of Community, Accountability, Respect and Excellence through our CARE thank you cards and CARE awards, as well as Values Shares at all large meetings.

During the COVID-19 pandemic we built on our employee communications to provide regular virtual employee updates from our Executive Committee with the opportunity for employees to ask questions anonymously.

Employee listening

One of the ways we measure employee engagement is via our annual Our Voice survey, administered by Willis Towers Watson. Our FY20 results remain strong when benchmarked against other Australian companies and

industry norms. In FY20 we simplified our annual Our Voice survey and action planning process. In FY20 our composite employee engagement score increased 1 per cent to 82 per cent, driven mostly by an increase in advocacy (likelihood to recommend Stockland as a good place to work) and intent to stay (lower likelihood of leaving Stockland in the near future). We reported improved scores in our major areas of focus over the past year which included leadership, strategy communication and execution, and removing obstacles to perform. Our scores across Wellbeing, D&I and Health & Safety metrics remain very strong compared to norms.

The Wellbeing score declined compared to last year (despite being strong compared to norms). This decline was driven by an increase in the number of employees reporting feeling anxious at work. The survey was open in March 2020, when the COVID-19 situation was uncertain and therefore may have contributed to anxiety around job stability, financial security and health. We also measured a decline in collaboration between teams within business units. This decline was partly driven by teams that experienced leadership changes during the year, reflecting a response to new ways of working and a high volume of change.

In addition to Our Voice, we regularly pulsed our employees from March 2020 onwards to understand how supported they felt during the COVID-19 pandemic and to gain feedback on leadership, flexible working and wellbeing.

The table below provides some headline metrics from our FY20 Our Voice survey. A larger sample of results by survey category is provided in our [People Data Pack](#).

Survey question/metric	FY20	FY19	FY18
Employee engagement – composite employee engagement score	82 per cent 4 points above the Australian National Norm	81 per cent	83 per cent
Diversity and Inclusion – composite diversity and inclusion score	86 per cent 5 points above Australian National Norm	86 per cent	86 per cent ¹
Wellbeing – composite wellbeing score	75 per cent 6 points above Australian National Norm	75 per cent	75 per cent
Health and safety – composite health and safety score	93 per cent 6 points above Australian National Norm	93 per cent	93 per cent
Leadership – overall leadership score	70 per cent	67 per cent	73 per cent

¹ This was incorrectly reported in our FY18 Deep Dive as 87 and has since been corrected.

Employee wellbeing

Stockland recognises the importance of mental and psycho-social health for our employees and has championed wellbeing initiatives over many years. We continuously look for opportunities as to how we can connect our people to contemporary tools, resources and programs. Due to the impact of the COVID-19 pandemic, we extended our focus on mental health and wellbeing, including through our CARE Foundation collaborative partnership with ReachOut and R U OK?. We developed and launched a wellbeing program in response to COVID-19, including the 30 Days of Wellbeing campaign, Ways to Wellbeing webinars, promotion of the Wellbeing Assistance Program (Benestar) portal and coaching service, regular employee virtual events hosted by our Executive Committee and leadership support.

Further information on FY20 wellbeing initiatives implemented by our Employee Advocacy Group as well as a case study on how we supported our employees through COVID-19 can be found below.

Dealing with challenging interactions training

In FY20 we have further equipped our employees, at head office and at our assets, with techniques for managing their mental health, and in particular to address psycho-social hazards such as dealing with difficult conversations and personal interactions. During 2019 some of our employees reported that they were experiencing more challenging situations (e.g. verbal abuse, physical and verbal intimidation) from customers and external stakeholders. While we have guidelines available to support our employees with managing these types of issues, we identified the need to provide training to complement the guidelines and further develop the capability of our employees. Group Risk worked with the People & Culture team and a specialist psychological consultancy to develop 'Dealing with Challenging Interactions training'. The training is aimed at customer and public facing roles. The training was initially rolled out to the Communities Sales, Conveyancing, and Customer Experience Teams nationally during March 2020. Face-to-face training for our Commercial Property (Retail) and Retirement Living employees is to follow. Online training is currently being developed to support our face-to-face offering.

Talent attraction and retention

The work Stockland undertook in FY19 to define the Employee Value Proposition has been embedded into our practices, and has supported our efforts throughout FY20 to attract and retain talent at all levels of the organisation.

We understand an employee's choice to remain at Stockland is driven by a number of factors, and all of the achievements and initiatives mentioned in our Deep Dive have contributed to our ability to retain employees. This includes our continued focus on overall employee engagement, career-building via the capability masterplan, Leader Zone, and our dedication to diversity, inclusion and wellbeing.

In FY20 we also refreshed and focused our approach to talent identification and succession planning in relation to the most critical leadership roles in Stockland. Through the targeted appointment of a number of key internal and external hires and the continued assessment and development of our highest potential leaders, we have strengthened the talent pipeline for our senior leadership roles.

Rolling turnover¹

Turnover rates across all our metrics decreased in FY20. Employee-initiated turnover has fallen from 16.3% to 12.1% between June 2019 and June 2020. This drop has been reported across all business areas, and predominantly in the more junior job bands where most of the turnover historically occurs.

Employee-initiated turnover of employees with strong performance has also fallen from 14% to 9.2%. A further breakdown of turnover rates by tenure is provided in our **People Data Pack**.

¹ Turnover presents the proportion of the Stockland workforce that has exited in the last 12 months. Rolling turnover is calculated by dividing [Total number of exits in the last 12 months] by [12-month average headcount]. All turnover data (including headcount) excludes those employed on a casual or fixed term basis.

Diversity and inclusion

Stockland is committed to enhancing the diversity of our workforce and building on our inclusive culture. Our **Management Approach to Diversity and Inclusion** outlines our approach.

Diversity and inclusion continues to be a key driver for engagement and retention. The diversity and inclusion measure in the Our Voice survey remained stable at 85.67 per cent and is five per cent above the Australian national norm.

In FY20 we designed and introduced a D&I Index, demonstrating our continued focus on improving D&I measurement and tracking success in this important area. The D&I Index is made up of weighted D&I metrics across gender, wellbeing, LGBTI+, flexibility and cultural inclusion. Index targets were agreed at Executive Committee and at Board level, and form part of Stockland's Corporate Balanced Scorecard. In FY20 our D&I Index score was 96.26.

Gender diversity

We have strong and long-standing support for gender equity, and are committed to maintaining a culture where we encourage and support career development and advancement of all genders. During FY20 our Managing Director has continued advocating for gender equity in the property industry as a member of the Property Male Champions of Change group. We were recognised for the sixth consecutive year as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for our active commitment to achieving gender equity in the workplace.

In FY20 we supported seven employees through our Senior Women's Sponsorship program. These employees were partnered with an Executive Committee member who coaches and mentors them for 18 months. This program continues to create career growth and promotion opportunities.

Our first cohort of employees completed the Accelerate-Development program in FY20. Seven employees completed the program, which included on the job training and formal education through Property Council of Australia, providing participants with a career pathway into the Development job family for those currently working in another area of the business.

During FY20 we updated our '**What Stockland Expects from its Suppliers**' policy to influence and improve the diversity and inclusiveness of our supply chain. Suppliers tendering for business with Stockland now need to include a number of diversity and inclusion, human rights and Indigenous employment proof points in their submissions. Partners with aligned diversity and inclusion policies will be given preference. The new policy was shared with all suppliers by our CEO and Managing Director.

Women in management

As part of our D&I scorecard we set targets for Women in Management (45-50%), Women in Senior Management (42-47%) and Women in Leadership Team (40-45%). In FY20 we met our Women in Management target with 46.7% women in this category.

Rate of return from parental leave

Our rate of return from parental leave within the 12-month period was 84 per cent in FY20¹ and the number of men taking parental leave continues to increase year-on-year. In FY20, 24% of employees who took parental leave were male. More details are provided in our **People Data Pack**.

Staying connected with employees during parental leave is an important way we support return to work rates, and through our Keeping in Touch events we invite those on leave back to their workplace. In these sessions we provide important business updates and transition to work advice.

Gender pay equity

We aim to achieve gender pay equity within roles by considering an individual's positioning against the relevant market benchmark and comparing gender outcomes. This analysis is shown in the gender pay equity ratio table in the People Data Pack. Our target is for a gender pay equity ratio of 100 per cent plus or minus three per cent across the company. This means that males and females would be paid the same for performing similar roles, with a small variance to allow for different levels of experience and other factors. Using the gender pay equity ratio overcomes the limitation of measuring pay equity based solely on average fixed pay by job band, which ignores different market values placed on different jobs.

Cultural diversity

In our annual Our Voice survey, respondents can voluntarily select the cultural group they identify with. In FY20, 2% of employees identified as being Australian Indigenous or Torres Strait Islander and 30% identified with a cultural background other than Australian.

More information on our Reconciliation Action Plan and other initiatives related to Indigenous rights and employment is provided in our **Human Rights Deep Dive**.

¹ Some people extended their leave, which accounts for a proportion of those who did not return. It includes those who ceased employment and those who extended leave.

Employee advocacy groups (EAGs)

Our EAGs help drive our Diversity and Inclusion strategy. This section focuses on the key achievements of each of the EAGs in FY20. More information on the objectives and composition of our EAGs is provided in **Our Management Approach to Diversity and Inclusion**.

Gender Equity

- Launched our updated Domestic and Family Violence Policy to include uncapped leave for employees impacted by DFV or supporting a member of their family/ household, as well as a range of flexible work options. We ran a *16 Days of Activism to end Gender-Based Violence* leadership-led campaign to raise awareness of the prevalence of DFV and to promote the support we provide our people.
- Introduced 'Celebrating female leadership' speaker series with events held in Brisbane, Sydney, Melbourne and Perth. We hosted leaders from outside our industry, within the property industry and Stockland female leaders. Speakers shared their leadership journeys and the gender challenges they have experienced and navigated throughout their careers. Employees of all genders attended the events, which were hosted by our Group Executive, People and Culture.
- Delivered two CEO sponsored focus groups and seven interviews with key emerging females to understand the gender experience for Stockland employees. A key finding was that supplier/partner relationships can sometimes be an area where females experience some form of harassment or unfair discrimination. To help address this issue, in FY20 we launched our updated 'What Stockland Expects from its Suppliers' policy, with minimum supplier requirements for diversity and inclusion.

Flexibility

- Continued our focus on embedding One Simple Thing for flexibility, with 78% of employees reporting they worked flexibly pre-COVID-19
- Refreshed tools and guidelines to help support employees working flexibly during COVID-19 containment and recovery, including remote working tips; updated Flexibility Principles, Flexibility Guidelines for Managers and Flexibility Guidelines for Employees; and Team Blueprint to support teams develop new ways of working. Team Blueprint is an activity to help teams to develop their own team 'flexibility handrails' that address their productivity, wellbeing and priorities.
- Raised awareness of the benefits and challenges of flexible work during *Flex in Feb*. Our focus this year was 'caring for carers'. During the month we highlighted the benefits of working flexibly and balancing non-parental

caring responsibilities e.g. for an elderly relative, or to manage your own sickness.

Wellbeing, accessibility and cultural inclusion

- Partnered with our CARE Foundation Partners R U OK?, ReachOut and Redkite to share strategies and advice on wellbeing through events, virtual seminars and communications throughout the year.
- Supported the 30 Days of Wellbeing campaign during COVID-19.
- 82 employees attended Ways to Wellbeing face-to-face seminars hosted by The Wellbeing Outfit, and approximately 400 employees attended virtual webinars during June 2020 focusing on resilience during COVID-19.
- Celebrated cultural diversity through employee story telling and communication opportunities including Harmony Day.
- Participated in the Stepping Into program, a paid internship program designed specifically for university students with disability. In FY20 we supported three Stepping Into interns.

LGBTI+

- Demonstrated Stockland's public support for LGBTI+ by embedding inclusivity into external customer facing communications and introducing a rainbow logo on days of significance on corporate communications channels.
- Increased employee awareness and understanding of LGBTI+ issues, providing employees with ways to demonstrate support through communications, events and days of significance (Wear it Purple Day, Mardi Gras).
- Built the LGBTI+ Ally network to over 210 employees.
- Implemented policy updates and changes to employee surveys to include more LGBTI+ inclusive language. Promoted LGBTI+ inclusion online training module, completed by 499 employees in FY20.
- Achieved Bronze Status in the 2020 Australian Workplace Equality Index survey, which helps benchmark LGBTI+ inclusive practice. We increased our score by 22 points from last year (116/200 in 2020 vs. 94/200 in 2019).

Culture and capability

In FY20 we rolled out our culture program, Strengthening Stockland, making good progress on our integrated program of work across leadership, structure, capability, processes and systems. This program focused on assisting the business to build on a cultural foundation of collegiality, care and passion to build greater innovation, accountability and faster decision-making. Strengthening Stockland was refocused into a temporary program called Leading the Recovery during COVID-19, providing practical support to employees and leaders during a time of disruption and change.

Stockland capability masterplan

In FY20 we built a capability masterplan to define the specific capabilities required of our people to deliver on our strategic priorities. The masterplan helps to articulate the broad capabilities (leadership, business, self and technical) employees need to develop in order to successfully deliver our strategy and then defines the specific capabilities needed by job family (Development, Asset Management and Project Management).

Blended leadership development

While traditional Stockland leadership training and development delivered in person remains a core capability, in FY20 we shifted our focus to providing learning opportunities to key leadership groups with three design principles in mind:

1. Practical learning that can be built into the flow of work;
2. Multi-modal learning that supports a range of learning styles; and
3. Peer opportunities to learn from each other

With these principles in mind we developed and launched Leader Zone, an online learning resource hub with practical tools and guides to help employees to lead themselves, others and teams across Stockland. The tools focus on Stockland's key organisational capabilities, reinforce Stockland's values, and provide practical learning to support people through their real work challenges. All team members in Stockland can access the Leader Zone. It is available 24/7 and promotes self-service, and self-directed learning.

Since launching in March 2020 there have been 7542 employee visits to Leader Zone and 326 unique viewers. We have also launched Leader Zone Live interactive facilitated webinars to complement the self-service online tools, providing opportunities to practice and refine skills. Leading Real Conversations was the first interactive module offered in June 2020, designed to support our managers through the challenging conversations they were required to facilitate due to the disruptive nature of COVID-19.

Systems training

During FY20 targeted training has been conducted with employees to support the digitisation of our workforce through CORE Systems. The CORE Systems replacement project is a strategic priority for Stockland, creating a digital backbone for future transformation. To be ready for its successful launch in FY21, team members were required to engage with high levels of systems learning, a major investment of time. In the last quarter of FY20 all employees were provided base level training or communication support to ensure they were prepared for the implementation of the CORE Systems Project. Other key users (such as Finance or Leasing teams) were provided with in-depth training. Training was delivered through a combination of e-Learning and facilitated virtual learning as well as refresher sessions close to 'Go-Live'. Training was tailored to each individual role, based on key processes that were changing within the system.

Graduate development

Our Graduate Program aims to create a diverse pipeline of potential future leaders to inject new ways of thinking into Stockland. In FY20, 16 new graduates joined the two-year rotation program, bringing the total number of graduates to 34. The Stockland Graduate Program includes on the job training and structured formal learning scheduled across 24 months to build capabilities including innovation, collaboration, business writing, self-leadership and personal style to reflect our corporate values. The learning program also includes a career planning element designed to support graduates to move into other roles at Stockland after completing their Graduate Program. In FY20 Stockland was ranked 21st in the AFR Top 100 Graduate Employers, moving up six places from FY19.

Risk and compliance

We continue to protect and support the success of our stakeholders and communities by ensuring compliance and strong employee risk behaviours at all levels. During the year, workshops were held with senior leaders to discuss key culture shifts, including learnings from other industries. Across the business high levels of compliance with mandatory compliance training requirements were maintained (see our [Health, Safety and Security Deep Dive](#) for more information).

CASE STUDY

SUPPORTING EMPLOYEES THROUGH THE COVID-19 PANDEMIC

When government restrictions were put in place across the country to control the spread of COVID-19, we knew our employees' wellbeing would be impacted. We were determined to help them remain well and productive during this very difficult time as well as maintain our strong organisational culture.

Many employees were working remotely and others were at our assets supporting our residents and tenants. Some of our people were caring for their children, home schooling while working. Others are were on their own, feeling isolated, pressured or lonely. Some employees were concerned about their financial situation, including job security, and cases of Domestic and Family Violence increased in the community. In addition, our 2020 Our Voice results told us that the number of people who indicated they felt anxious at work had increased to 54 per cent.

The right technology in place

Prior to the onset of the COVID-19 pandemic, we had already provided the majority of our employees with technology devices and applications that increased their mobility and flexibility. This was instrumental in the smooth transition to remote working and increased employee engagement during the COVID-19 government restrictions.

To build on this, we fast-tracked the implementation of Microsoft Teams, rolling it out to 100% of employees within 14 days. Microsoft Teams helped our people remain connected and enabled them to collaborate effectively.

We also created a range of tools to support employees working flexibly, including manager and employee guides to flexible and remote working.

Open, two-way communications

From March 2020 to the end of June, regular employee virtual live events were held with our Executive Committee providing updates on the current situation and spending time answering employee questions.

Focusing on safety and wellbeing

We launched 30 Days of Wellbeing in April 2020, led by our Wellbeing EAG Executive Committee sponsor, Louise Mason, Group Executive & CEO of Commercial Property. During the month we shared hints, tips and experiences to help support the physical and mental health of our people. We partnered with our CARE Foundation partners R U OK? and ReachOut, as well as The Wellbeing Outfit (our wellbeing training provider) to hold virtual seminars and to develop educational content.

A webinar hosted by Louise Mason, Ashley De Silva, CEO of ReachOut Australia, and Katherine Newton, CEO of R U OK? outlined the important work both charities do to support people with mental health challenges. Ashley and Katherine shared some of the things they have been responding to, the communities they've been supporting and practical tips and advice on managing mental health and wellbeing. They discussed the uncertainty COVID-19 has brought and the importance of staying connected, listening to others and providing support to our families, our colleagues and our staff over the coming months.

As we started to move toward the recovery phase of COVID-19 we were aware employees would now be feeling anxious about the return to the office. The Wellbeing Outfit hosted virtual seminars with our employees, offering strategies for better mental health and resilience.

Leading the Recovery

Our people managers are critical in leading our response to COVID-19 and protecting the safety and wellbeing of customers, communities and their teams.

To help support our people managers to lead during this time we developed a program called Leading the Recovery, including tools, resources and learning experiences for managers, leaders and employees.

This program provided support for our leaders as we moved from Containment to Recovery in having conversations about flexible work, performance reviews, wellbeing and setting priorities.

In addition we wanted to leverage the learning from COVID-19 and accelerate improvements in our culture. Leadership seminars were held including:

- Leading real conversations – to support managers in having difficult conversations.
- Leadership during turbulence – to reframe the crisis and proactively create the future.
- Leading the recovery – to lead during volatility, uncertainty, complexity and ambiguity.
- Team Blueprint – to help develop ways of working to support wellbeing, productivity and business priorities.

To support these live seminars, we packaged together a range of leadership tools and resources to help support our people. All these tools and resources were made available on Leader Zone, our online virtual learning site.

CASE STUDY

STANDING TOGETHER AGAINST DOMESTIC AND FAMILY VIOLENCE



Given the prevalence of domestic and family violence, there is no denying it has an impact on our workplace and our people. Stockland is committed to ensuring a safe and inclusive working environment, and this extends to supporting employees if they are experiencing Domestic and Family Violence.

Stockland has practical support in place for employees who experience domestic and family violence to help assist them to stay in the workplace and maintain economic independence, which is a critical predictor of whether someone experiencing domestic and family violence will leave a violent relationship.

Employees experiencing domestic and/or family violence can access special leave to support their circumstances. In FY20 we updated our policy from 10 days leave annually to uncapped leave for employees who are experiencing domestic or family violence or supporting an affected member of their family/household. This leave is critically important to victims so they can seek medical or legal assistance, attend court appearances or counselling, relocate or make other safety arrangements. In addition, we support employees who are victims to utilise alternate start and finish times, work from a different location and make changes to work email and telephone details.

First responders

A group of employees from across the country are trained as First Responders to domestic and family violence, completing a program provided by the University of New South Wales. This program aims to respond to situations where employees are victims and/or perpetrators of family violence, manage inappropriate behaviours in the workplace, and balance organisational and individual needs.

If a manager has someone in their team impacted by family or domestic violence, they can reach out to a First Responder for guidance and support. A First Responder will be able to:

- respond appropriately to disclosures and safely support employees who are victims of domestic and family violence by explaining our policy and response framework;
- respond to inappropriate behaviours in the workplace;
- manage employees who are perpetrators of domestic and family violence;
- balance organisational needs with individual needs; and
- refer to appropriate services to assist employees who are affected by domestic and family violence.

Campaign to raise awareness of the impact of DFV on the workplace

From 25 November to 10 December 2019 Stockland supported the *16 Days of Activism to end Gender-Based Violence*, an international campaign established by the first Women's Global Leadership Institute. This campaign was aimed at raising awareness amongst employees of the impact DFV has on the workplace, our new policy to support employees and their family members, and how employees can support victims of DFV.

We asked our employees to stand together against domestic and family violence. There was a range of communications across the 16 days, including employee communications and external communications on our social media channels, all led by our leadership team and Gender Equity EAG.

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 Standards¹(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



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 travelers 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', traveler 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	

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.

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.

Human Rights

Why this is important to Stockland

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.¹

We operate 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 do not tolerate behaviour that is in breach of the law or our corporate policies.

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 Standards²(Comprehensive); and is **third party assured**.



This Deep Dive is to be read in conjunction with our published approach to human rights, available as part of our sustainability reporting suite at **Our Management Approach to Human Rights**.

Stockland's Sustainability Strategy



¹ These conventions address freedom of association, collective bargaining, forced labour, minimum age, worst forms of child labour, equal remuneration and discrimination (employment and occupation).

² The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (<https://www.globalreporting.org/standards/>)

Our key achievements

- Developed a property industry modern slavery supplier assessment tool in collaboration with the Property Council of Australia (PCA), industry experts and 14 other PCA member groups to strengthen the property industry's approach to human rights and other social and governance considerations within the supply chain.
- Updated and launched our **What Stockland Expects from its Suppliers** policy to include a greater focus on sustainability, including diversity and inclusion, human rights and Indigenous procurement and employment.
- Partnered with the Australian Business Community Network to sponsor eight Indigenous scholarships for high school students, pairing them with Stockland mentors. We have committed to providing a further two scholarships to be announced at the end of 2020.
- Procured over \$2 million of goods and services from Indigenous suppliers during 2020.
- Developed our first project-based Reconciliation Action Plans at Stockland Baringa and Birtinya to support local Indigenous peoples through the development and operation of our shopping centres, in particular through an indigenous employment program.
- Increased our Australian Workplace Equality Index Score to Bronze Status, receiving 116/200 points, a 22% increase on our score from FY19, which reflects the efforts made on our LGBTI+ inclusion and diversity practices.
- Recognised as Employer of Choice for Gender Equality (WEGA) for the sixth year in a row, and ranked sixth on Equileap's Global Top 100 gender-equal companies.
- Continued our commitment to inclusive play in collaboration with Variety, our national community partner, by completing the construction of one new inclusive playspace at our Edgebrook (Vic) project and approving a further two inclusive playspace designs at Willowdale (NSW) and Minta (Vic) for construction in FY21.
- Continued our commitment to accessibility by installing Bindi Maps at several retail town centres including Burleigh Heads (Qld), Rockhampton (Qld) and Traralgon (Vic). Bindi Maps has the potential to revolutionise the shopping experience for the blind or vision-impaired by providing smart phone navigation that guides users with vision impairments to their destinations.
- Delivered 28 per cent of our Residential Medium Density product to LHA (Livable Housing Australia) Silver level design standard.

Ranked

6th

on Equileap's Global Top 100

Improved score

22%

in Australian Workplace Equality Index

Procured goods and services

\$2m

from Indigenous suppliers during 2020

FY20 targets and progress

Enrich our value chain

Focus area	Target	FY20 progress	Status	Future priorities
Modern Slavery	Develop Modern Slavery Act (MSA) Statement and continue to work with our supply chain to progress our group-wide response to MSA.	Developed a property industry modern slavery supplier assessment tool in collaboration with the Property Council of Australia.	In progress	Continue to engage with internal and external stakeholders and with industry experts and peers and experts to evolve our response to modern slavery.
		Mapped and assessed Stockland supply chain for modern slavery risk potential.		Complete annual assessment of 100 per cent of Categories A and B suppliers.
		Drafted inaugural Modern Slavery Act Statement.		Require all suppliers to formally acknowledge 'What Stockland Expects of its Suppliers' policy as part of our supplier on-boarding process.
				Establish modern slavery-related key performance indicators for key management personnel and other employees.
				All employees to complete modern slavery awareness training.
				Identify trends across our supplier base to develop collaborative improvement opportunities.
Reconciliation	Draft and commence implementation of our next Innovate Reconciliation Action Plan (RAP) FY20-22.	Reinvigorated the Stockland Reconciliation Working Group led by Executive Sponsor (Group Executive, People & Culture).	In progress	Launch and implement Stockland's second Innovate Reconciliation Action Plan in FY21 to deepen our understanding of shared histories, cultures and achievements and explore ways we can contribute to reconciliation in Australia.
		Collaborated across key internal stakeholders to draft our second Innovate RAP in partnership with Reconciliation Australia.		
		Held a Stockland all-employee virtual event for National Reconciliation Week during COVID-19.		
	Further develop an indigenous employment program on the Sunshine Coast in FY20 in partnership with the Australian Retailers Association and Sunshine Coast Council to facilitate Indigenous employment at our new shopping centres in Baringa and Birtinya.	Conducted two Retail Ready programs targeted at Indigenous participants at Stockland Baringa and Birtinya (Qld).	Achieved	
		Eight people participated in the programs, with five ongoing job placements achieved.		
		An additional two job placements were postponed due to the effects of the COVID-19 restrictions in retail.		

Enrich our value chain

Focus area	Target	FY20 progress	Status	Future priorities
Reconciliation	Continue our partnership with Career Trackers to support employment prospects of Indigenous university students through the provision of three internships in FY20.	Offered three Career Trackers internships.	Achieved	Provide at least one internship via Career Trackers per year.
	Develop a national Indigenous culture and heritage significance pathway to map areas and artefacts of cultural significance at or surrounding our residential communities.	Prepared a cultural heritage development pathway that will enable us to better understand cultural significance and identify opportunities to engage and celebrate Indigenous cultures on our projects. Developed cultural heritage management plans at projects where we have identified artefacts, including Bokarina Beach (Qld) and Sovereign Pocket (Qld).	Achieved	Identify opportunities to embed the pathway in our development lifecycle and roll out an education module to raise employee awareness.
Accessibility	Target construction of six new inclusive play spaces across our residential and retail portfolio each year	Constructed Central ASD Park at Edgebrook (Vic), due to open in April, however was placed on hold due to COVID-19 restrictions and will open in FY21. Designed inclusive playspaces for Stockland Shellharbour (NSW), Merrylands (NSW) and Cairns (Qld), however designs have been placed on hold due to COVID-19 restrictions. Approved designs for Minta (Vic) and Willowdale (NSW) with construction to commence in FY21.	In progress	Finalise current playspace designs for approval and installation following the COVID-19 recovery. Design all future playspaces in our retail town centres for inclusion to ensure children of all abilities can play. Deliver at least one inclusive playspace in all residential communities over 1000 lots.
	Collate actions and recommendations from our Retail Town Centre accessibility assessments and commence planning for improvements to customer amenity and risk mitigation.	Reviewed accessibility assessments undertaken to date and identified key risks and opportunities, with some actions underway such as Bindi Maps and sensory mapping of our Retail Town Centres.	In progress	Identify key accessibility risks and opportunities for inclusion in retail centre asset plans.
	Conduct accessibility assessment at an additional four Retail Town Centres during FY20 to ensure our centres meet the needs of shoppers of all abilities.	Conducted an accessibility assessment at Stockland Baldivis (WA) and a sensory mapping assessment at Stockland Merrylands (NSW) to identify areas of high sensory stimulation in the centre in support of customers on the autism spectrum. An accessibility assessment planned for Stockland Cairns (Qld) was postponed due to COVID-19 restrictions.	In progress	Conduct accessibility assessments at an additional two retail town centres in FY21 to ensure our centres meet the needs of shoppers of all abilities. Pilot a sensory assessment at two retail town centres to identify areas of high sensory stimulation and improve the customer experience of people who live with autism.

Enrich our value chain

Focus area	Target	FY20 progress	Status	Future priorities
Accessibility	Extend Bindi Maps to at least two retail town centres in FY20 to enhance the level of support provided for people with vision impairments	Installed Bindi Maps at Stockland Burleigh Heads (Qld), Stockland Rockhampton (Qld) and Stockland Traralgon (Vic).	Achieved	Extend Bindi Maps to at least two additional retail town centres in FY21 to enhance the level of support provided for people with vision impairment shopping in our centres.
	Achieve a minimum LHA Silver standard (design certified) for 20 per cent of our Townhomes by FY20.	Delivered 29 per cent of our Townhomes product to meet LHA Silver standard.	Achieved	Deliver a minimum of five 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).
	Deliver a minimum of two new display homes in all new residential communities to LHA Silver standard by FY20.	Five display villages now include LHA homes from a total of 14 display villages. Two LHA homes were included in the display villages at Altrove (NSW), Willowdale (NSW), Aura (Qld) and North Shore (Qld) and one LHA home was included in the display village at Mt Atkinson (Vic). We are continuing to work on programs with builders to deliver LHA homes, helping them to see the benefits to their business over the long term.	In progress	Deliver a minimum of one LHA certified home in each display village with fewer than 20 lots, and two homes in display villages with more than 20 lots.
	Offer LHA design options from at least two builders in all new residential communities by FY20.	By the end of FY20, 10 out of our 14 display villages (71%) offer LHA design option.	In progress	
	100% of Retirement Living developments to achieve LHA Silver standard (design certified).	100% of homes at our newly completed Newport Retirement Village (Qld) were delivered to LHA Silver level standard.	Achieved	Continue delivering 100% of Retirement Living developments to achieve LHA Silver standard (design certified).

FY20 performance and case studies

Corporate human rights

In FY20 we have continued activities focused on our human rights approach, including consideration of modern slavery legislation. We have participated in industry awareness sessions with the Property Council of Australia and Green Building Council of Australia, as well as industry forums to help develop industry approaches to address human rights.

We have continued to focus on building a diverse and inclusive culture at Stockland during FY20. Further detailed information can be found in the **Employee Engagement, Development, Diversity and Inclusion Deep Dive**.

Further detailed information on the FY20 implementation of Strengthening Stockland, our organisation culture review and integrated program of work across systems, capability, leadership, processes and structure, can be also found in the **Employee Engagement, Development, Diversity and Inclusion Deep Dive**.

Modern Slavery

In FY19 we undertook a Group-wide human rights issues review to better understand the potential challenges facing our business and to build an understanding of issues within the broader property sector. This review identified our supply chain as having the highest potential for human rights risk. This highlighted the need to understand the sourcing practices of our suppliers, to identify high-risk products and geographies, and the intersection between the two.

In April 2019 we established a Modern Slavery Working Group to develop and implement our modern slavery strategy, and to 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 includes representatives from across the business including Sustainability, Legal, Investor Relations, People and Culture, Risk, Procurement and Operations.

During FY20 the Modern Slavery Working Group:

- mapped and assessed Stockland supply chain for modern slavery risk potential, categorising our suppliers into four priority assessment groups;

- collaborated with Property Council of Australia and 14 other PCA member groups to develop a modern slavery supplier assessment tool;
- assessed 100 per cent of Category A suppliers for modern slavery risk within their supply chain;
- directly engaged with 450 suppliers on supply chain and human rights issues;
- updated '**What Stockland Expects from our Suppliers**' policy to emphasise human rights expectations; and
- all relevant employees completed tailored modern slavery awareness training.

Using our priority assessment categories, we issued the supplier assessment tool to all our Category A suppliers in FY20 as our primary due diligence approach. Of the 26 suppliers issued with the assessment, 100 per cent undertook the assessment within the tool. All new Category A suppliers are also required to complete the assessment as part of the contract award process. The assessment tool asks suppliers to complete over 100 questions on modern slavery. However, for our first year of assessment, we have focused on those questions regarding awareness of modern slavery and the scope of policies regarding supply chain transparency, and modern slavery and sub-contracting activities. This has helped us establish a baseline for our due diligence and has improved our understanding of how we can support our suppliers and encourage continuous improvement. More information on supplier engagement activities can be found in our FY20 **Supply Chain Deep Dive**.

The ongoing COVID-19 pandemic is having a devastating human and economic impact across the world. In June 2020, we assessed where and how the pandemic may increase the vulnerability of workers within our supply chain to modern slavery. The assessment indicated that suppliers in the cleaning industry may have significant exposure to increased modern slavery risks as a result of COVID-19. For more details on our approach see our **Modern Slavery Statement**.

Reconciliation

In preparation for the launch of our new Innovate Reconciliation Action Plan (RAP) in early FY21, Stockland has taken the time to review, rebuild and re-energise our approach to reconciliation, including:

- Reinvigoration of the Reconciliation Working Group (RWG) including the internal appointment of an Executive sponsor and an external advisor, as well as ensuring all areas of the business are represented.
- Working closely with Reconciliation Australia and extensive cross-business collaboration in the final stages of drafting our new Innovate Reconciliation Action Plan as we work towards our goal of being able to launch a Stretch RAP in FY23.
- Renewal of our Supply Nation membership, with a RWG sub-committee working on opportunities to maximise this partnership in the future.
- Developed our first project-based Reconciliation Action Plans at Stockland Baringa and Birtinya (Qld) to support local Indigenous peoples through the development and operation of our shopping centres.
- Successful launch of our first national online Reconciliation Week event hosted by our CEO, with over 400 employees in attendance.

Accessibility and inclusion

Our Accessibility and Inclusion Strategy was developed to respond to the needs of people living with disabilities within and around our communities, and to further integrate standards, such as those published by Livable Housing Australia and Changing Places, across our portfolio of assets.

Commercial Property

We remain focused on accessibility in our Commercial Property portfolio, and over the past year we further developed and utilised the Accessibility Scorecard piloted in FY18. An accessibility assessment was completed during FY20 at Stockland Baldivis (WA) and a second assessment was scheduled to be undertaken at Stockland Cairns (Qld), however this was cancelled due to COVID-19 restrictions.

A key initiative in FY20 was the extension of the rollout of Bindi Maps, an application-based way-finding system that uses beacon technology to assist people who live with vision impairment to find their way around our retail centres. Following successful first time installation at Stockland Wetherill Park (NSW) in FY19, we installed Bindi Maps in three additional retail town centres at Burleigh Heads (Qld), Traralgon (Vic) and Rockhampton (Qld).

We have continued to progress the roll-out of inclusive playspaces in our Retail Town Centres by developing designs for several locations, however COVID-19 has seen some projects deferred. Designs are advanced for Stockland Shellharbour (NSW) and Stockland Merrylands (NSW), with an independent review undertaken by Variety, our national community partner. Construction is expected to commence in FY21.

Communities

Within our Communities businesses, we completed an inclusive playspace at Edgebrook (Vic) and approved designs for inclusive playspaces at our Willowdale (NSW) and Minta (Vic) residential communities in partnership with our community partner Variety. The opening of Edgebrook Central Park has been delayed due to COVID restrictions and will open in FY21.

Twenty-one per cent of our Stockland-designed residential and Retirement Living built form product is certified Silver level LHA design standard. During FY20 we delivered 29 per cent of our residential Medium Density product to Silver level LHA design standards, and five of our display villages included LHA Silver level display homes. We also offer LHA designs in 10 of our display villages through our builder partners, enabling customers to choose from a range of accessible homes. Display villages offering LHA design include Altrove (NSW), Willowdale (NSW), Elara (NSW), Calleya (WA), Aura (Qld), Foreshore (Qld), Kalina (Qld), North Shore (Qld), Mt Atkinson (Vic), Vale (WA).

We have engaged with Stockland employees and builder partners to understand the challenges and level of interest in delivering LHA homes. We plan to conduct further research to better understand the market for LHA homes and assess how we best work with disability organisations and the National Disability Insurance Scheme to deliver accessible housing. We will then look at how we work with stakeholders to raise awareness of the value and opportunity provided by LHA product in the market.

Collective bargaining

We support the right to exercise freedom of association and collective bargaining. In FY20 approximately four per cent of our employees were covered by collective bargaining agreements. These agreements contain provisions for health and safety protections during dispute and/or grievance processes and in some cases contain commitments to maintain safe and healthy work environments. More broadly, our Work Health and Safety Policy applies to all employees and provides commitments to a safe and healthy work environment.

Corporate policies breaches and grievances

We monitor compliance with corporate policies and report any breaches, as outlined below:

- **Employee Conduct** – There were 14 substantiated breaches of our Code of Conduct in FY20, one breach of the Fraud and Corruption Policy and one breach of the Anti-Discrimination and Harassment Policy. These breaches resulted in five terminations of employment and nine formal warnings.
- **Privacy** – There were two sets of notifiable data breaches reported 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.
- **Grievances** – There were no formal grievances raised in FY20.
- **Whistleblower** – During FY20 we received two anonymous concerns raised via our whistleblower channel on Stockland's website and another three anonymous concerns on our internal "Tell Me" channel. Three additional concerns were raised, one anonymously through correspondence to members of the Executive Committee, another by an escalation from an employee and one via an anonymous call to our Customer Contact Centre. These matters were all investigated and closed, with appropriate actions taken.

CASE STUDY

HELPING OUR CUSTOMERS NAVIGATE A PATH TO INDEPENDENCE AND FREEDOM

In an Australian first, Bindi Maps, a simple and affordable way-finding smartphone app, was launched at Stockland Wetherill Park (NSW) in April 2019 to enable our vision-impaired customers to independently and accurately navigate their way around the centre.

Stockland has always been focused on accessibility in our Retail Town Centres and actively seeks ways improve the customer experience for people who live with disability. Mobility, orientation and navigation of retail spaces present real challenges for many people who visit our centres, particularly people with vision impairment.

While exploring opportunities to use technology to improve the customer experience, we were introduced to technology start-up, Bindi Maps, an innovative mobile app that precisely locates a person in an indoor space and guides them to their destination. Using Bluetooth beacons installed on the ceiling throughout a shopping centre, Bindi Maps interacts with a smartphone to give helpful voice commands, identifying the easiest routes to stores, vertical transport, customer care and amenities within one metre of accuracy. For the vision-impaired, this technology provides independence and mobility.

Following testing and positive user feedback during a Big Day Out activation involving people with vision impairment, Bindi Maps has been in operation at Stockland Wetherill Park since April 2019. This was the first major Australian shopping centre to install Bindi Maps, and we have since launched it at our centres in Burleigh Heads and Rockhampton in Qld and at Traralgon in Vic, with plans to roll it out across the portfolio in the future.



Bindi Maps user Ben testing the new wayfinding technology for the first time at Stockland Wetherill Park.

CASE STUDY

MODERN SLAVERY LENS PROVIDES GREATER VISIBILITY INTO CLEANING SERVICES



Across Australia, at our assets, there are over 350 cleaners, in Stockland-branded uniforms, working for cleaning service suppliers.

Our risk assessment has highlighted the cleaning services sector as high risk for modern slavery. This is due to the complexity of its contracting relationships, franchising and sub-contracting practices. We have been proactively managing the risk associated with outsourcing labour-intensive and low-skilled work to third parties such as cleaning for many years, and have a long-term strategy focused on enabling safe, fair and equitable working conditions.

We have engaged industry consultants to conduct specialised due diligence processes to determine if our cleaning services contractors are suitable partners for Stockland. The due diligence approach includes the assessment of supplier documentation, conversations with the service contractor employees and key management personnel, and site visits. These reviews have been conducted on multiple occasions and occur alongside the PCA assessment process.

With the onset of the COVID-19 pandemic, it is possible that the risk profile of the cleaning services sector may have increased in some instances. Cleaning has been deemed an essential service under the COVID-19 lockdown and the demand for cleaning services has rapidly increased, and remains high, as a result. Accordingly, there may be increased pressure on already vulnerable workers to provide services under very difficult working conditions, thus increasing their risk of exploitation.

In response, we are continuing to reinforce our requirement to comply with Stockland's sub-contracting standards and Supplier Code of Conduct throughout the pandemic. During this time, we have also gained a greater appreciation for how contractors are managing modern slavery during a period of heightened risk. For example, it has given us the opportunity to: consider approaches to updating work practices and reporting processes; assess training of personnel; and secure critical supplies such as cleaning chemicals and personal protective equipment.

Whilst our due diligence activities are ongoing, the process has provided greater transparency throughout our supply chain as we identify opportunities to work with our contractors to address specific risks. Pleasingly, we have also found several of our larger contractors are conducting their own due diligence activities for their sub-contractors and suppliers.

We also have more visibility into how our contractors are approaching payroll compliance. Amidst the current media attention placed upon non-compliance, several contractors have demonstrated an increased awareness of the restrictions imposed through the cleaning award, focusing on areas of concern such as award rates paid, superannuation entitlements and hours worked by employees.

Supply Chain

Why this is important to Stockland

Every year we partner with hundreds of suppliers including construction contractors, professional consultants, and service providers. We work to build strong partnerships with our suppliers such that they are motivated to operate in a manner that is consistent with our values and standards.

We are committed to responsible procurement and sustainable supply chain management. We recognise that having a sustainable supply chain is fundamental to having a sustainable business.

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 Standards¹(Comprehensive); and is **third party assured**.



This Deep Dive is to be read in conjunction with our published approach to supply chain management, available as part of our sustainability reporting suite at **Our Management Approach to Supply Chain**.

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/>)

Our key achievements

- Undertook a detailed mapping exercise of modern slavery risk across our operations and supply chain and undertook an assessment of our high-risk, high-spend suppliers through the Property Council of Australia Modern Slavery supplier survey tool.
- Delivered human rights training to key procurement staff and made the training available to key suppliers through the Supply Chain Sustainability School.
- Undertook two pilot projects on built form construction projects to better understand modern slavery risk deeper within our supply chain.
- Undertook third party compliance assurance of our major cleaning service contractors including a review of human rights issues.
- Updated and launched our **What Stockland Expects from its Suppliers** policy to include a greater focus on sustainability, including diversity and inclusion, human rights and Indigenous procurement and employment.
- Continued to collaborate with our suppliers to achieve health, safety, environmental and quality outcomes, including through our growing Sights on Safety initiative and annual awards to recognise the work undertaken by suppliers and stakeholders to focus on safety improvement within their organisation and work sites.
- Continued to improve quality processes and procedures delivered through our internal Quality Working Group in collaboration with our construction supply chain.

Assessed for modern slavery

100%

high-risk, high-spend suppliers

FY20 targets and progress

Enrich our value chain

Focus area	Target	FY20 progress	Status	Future priorities
Collaborate with our partners to raise awareness of sustainability issues and encourage sustainable procurement.	Launch our policy 'What Stockland Expects from its Suppliers' with strategic suppliers to communicate our sustainability expectations.	Launched updated policy to our key suppliers through a series of webinars and then communicated to all suppliers through written correspondence from our CEO.	Achieved	
	Launch our procurement management system, which includes an increase in sustainability objectives for suppliers (part of our internal Core Systems program).	Our procurement management system is an integral part of Stockland's investment in a new Enterprise Management System. The EMS and procurement management system has been rescheduled for delivery in early FY21.	In progress	<p>Launch our procurement management system, which includes an increase in sustainability objectives for suppliers (part of our internal Core Systems program).</p> <p>Undertake a gap analysis of direct procurement practices against the international standard for Sustainable Procurement ISO 20400.</p> <p>Improve social and economic outcomes for Aboriginal and Torres Strait Islander people through increased indigenous procurement.</p>
	Compliance assurance including human rights issues for selected services contracts	Undertook third party compliance assurance of our major cleaning service contractors, including a review of human rights issues. Cleaning contractors have been identified as our high-spend, high-risk for modern slavery service within our operations.	In progress	
Identify and address key environmental, social and governance risks in our supply chain.	Pilot the PCA Modern Slavery risk assessment tool.	<p>Invited our high-spend, high-modern slavery risk category suppliers to participate in the PCA Modern Slavery assessment tool.</p> <p>100% of these suppliers undertook the assessment and many of our other suppliers have also made their response available to us through the tool when responding to other industry peers.</p>	Achieved	<p>Continue implementation of our Modern Slavery Act response strategy including broadening the assessment of our suppliers to progressively include Category B (high modern slavery risk, low spend) suppliers.</p> <p>Progress the Materials supply chain management pilot which responds to the sustainability strategy and incorporates key learnings from the modern slavery pilots undertaken in FY19.</p>
	Run a supplier roadshow with our strategic suppliers.	Delivered supplier 'roadshow' as a series of webinars, reaching over 450 of our key suppliers. The webinar outlined our sustainability, supply chain, and health and safety strategies and initiatives within the context of our policy 'What Stockland Expects from its Suppliers'.	Achieved	

FY20 performance and case studies

Supply chain procurement overview

In FY20 we procured over \$1.9 billion of goods and services from our direct supply chain, which consists of over 3,660 active suppliers. More information on how we categorise our suppliers and engage with them according to tier is provided in **Our Management Approach to Supply Chain**.

Supplier tiering by spend

Category	Tier definition	Number of suppliers	Spend (\$ Million)	% of spend
Tier 1	Supply goods and services directly to Stockland	3,660	1,919	100
Critical Tier 1	Limited number of alternative suppliers of the good or services they provide, and they are essential to meeting the business objectives.	16	350	18
Sustainability high-risk suppliers	Tier 1 suppliers with a spend over \$5 million per annum. ¹	53	942	49

¹ Classified as sustainability high-risk suppliers due to their increased risk of impacting our ability to meet our business objectives relating to finance, health and safety, environment, and human rights.

Supply chain framework and guidelines

Following the development of our supply chain framework in FY16 (summarised in the figure below), we have been working on our policy titled **‘What Stockland Expects from its Suppliers’**. This policy spells out key considerations for our suppliers (such as health and safety, materials and resource use, and local employment), organised by the core themes of the supply chain framework.

We engaged with our suppliers on the themes and initiatives that support our supply chain framework, such as our Sights on Safety initiative, as well as emerging issues such as modern slavery. We incorporated feedback from these engagements into the policy throughout FY18-19. We communicated this policy in FY20 through various mediums, including written correspondence to all suppliers from our Managing Director and targeted webinars on the policy for key suppliers.

Stockland supply chain framework

Governance & Management Stockland seeks to work with suppliers who are transparent and accountable in how they do business. This includes complying with all legislation and standards as well as acting ethically in all their dealings with us and in the marketplace.	Environmental Impact Stockland believes every organisation has a responsibility to understand and manage their environmental impacts. As such, we seek to work with suppliers who have sustainable procurement practices and prioritise the use of sustainable materials.	Health, Safety & Quality Stockland provides a safe and healthy work environment. We implement high standards in health, safety and quality across our operations and expect the same standards from our suppliers.
Social Value Stockland believes business can play a positive role in society. We encourage our suppliers to identify ways to positively contribute to the communities in which we operate.	Human Rights Stockland respects and promotes safe, fair, diverse and inclusive workplaces. We seek to work with suppliers who have appropriate labour practices and consistent values.	Innovation, Capability & Capacity Stockland works collaboratively with suppliers to achieve innovative and sustainable outcomes. We seek to work with suppliers who have proven capability and capacity to work collaboratively to achieve better outcomes.

We use the supply chain framework to hold suppliers accountable for demonstrating our values. We respond to any environmental, social, and labour practice risks or impacts identified. In FY20 we have not terminated any supplier agreements due to significant actual and potential negative environmental, social, or labour practice-related impacts. Where potential issues are identified, we work with and continuously engage with the supplier to learn more about the issue and implement mitigation and monitoring strategies through corrective action plans. We provide the necessary support and encouragement to those suppliers who have a plan and a commitment to demonstrate continuous improvement.

This document describes initiatives and achievements organised by the categories of our supply chain framework. More information on the supply chain framework is provided in [Our Management Approach to Supply Chain](#).

Governance and management

As part of our direct and asset management procurement due diligence process, we undertake a legal, reputational and a financial viability assessment of our Critical Tier 1 suppliers and Sustainability High Risk suppliers to allow us to make sound business decisions when managing our suppliers.

We also conduct contract assurance reviews to assess the end-to-end procurement process to ensure that our procurement governance and contract obligations are met by Stockland and the supplier (contractor). The contract assurance reviews include all development works, for example, civil and infrastructure projects, communities-built form projects and commercial property projects.

Within our asset management portfolio, our facilities management contracts pertaining to preventative and corrective maintenance services include key performance indicators which govern our supplier's contract performance in delivering the services.

During FY20 we have strengthened our approach to stakeholder management and engagement. We developed a National Procedure for Stakeholder and Supplier Management to establish and maintain key stakeholder and supplier relationships. This new procedure delivers a proactive and consistent approach to capturing valuable conversations with our stakeholders and suppliers, providing as well as measuring and sharing performance throughout the business. The engagement process is two-way, with feedback regularly sought from suppliers on Stockland's performance.

During FY20 we also updated and launched our '[What Stockland Expects from its Suppliers](#)' policy to include a greater focus on sustainability, including diversity and inclusion, human rights, and Indigenous procurement and employment.

Environmental impact

Stockland continuously applies innovation to reduce our environmental impact. During the year we have been investigating asphalt alternatives (see the Reconophalt case study below). This work involved testing the use of alternative asphalt products by incorporating recycled materials that would typically be destined for landfill, such as single use plastics. With one project successfully delivered, a cross-business Working Group is now investigating opportunities to apply such products more broadly both on our assets and in the public realm through our developments. We will continue to investigate new products and industry innovations.

Health, safety and quality

With a targeted focus on influencing industry practice around safety, Stockland's second annual National Sights on Safety Award offered our suppliers and contractors the opportunity to showcase enhancements to their businesses with a view to improve safety performance. The FY20 awards were well supported by our suppliers, with over 40 applications received and our 2021 Awards will include safety practices embedded during the COVID-19 crisis. More information on Sights on Safety achievements during FY20 is provided in our [Health and Safety Deep Dive](#).

Stockland has a Quality Working Group, which focuses on key strategic initiatives that ensure a quality product and experience is provided consistently to our customers, delivering on our purpose of 'a better way to live'. One of the key initiatives delivered by this group in FY20 was the standardisation of quality inspection checklists across our medium density project sites. This was the result of a collaboration with our contractors, and involved sourcing and sharing best practice to improve standards across our sites and ultimately across the industry.

Social value

Our business continues to concentrate efforts on generating greater outcomes with proving social value. Engagement with indigenous owned and operated businesses to deliver projects and provide advice in the development space is continuing and gaining further traction, with the support of Supply Nation. This also includes indirect local resource sourcing and employment opportunity generation with our more typical (existing) suppliers, seeking to develop and grow the engagement and benefit with those parties, in line with our Reconciliation Action Plan obligations.

More information on our participation with Career Trackers, the Indigenous university student and emerging leader internship program, can be found in our [Human Rights Deep Dive](#).

During FY20 Stockland partnered with suppliers to implement social value initiatives during the development project of the Baringa Retail Town Centre in Queensland. We started with an analysis of the local community and identified areas of opportunity and value, including opportunities to engage with local community groups and First Nations peoples. The initiatives undertaken included Indigenous education and awareness training of site personnel, covering topics such as cultural identity, racism, reconciliation, and employment opportunities. A whole-of-site talk was also held during National Reconciliation Week 2019 to highlight the role that each and every person on site can play to make the construction industry more inclusive for Aboriginal and Torres Strait Islander workers. As a result of these initiatives, one Indigenous person was recruited and provided with mentoring support. Additional social value initiatives included mental health and skin cancer awareness, and engagement with the local state Primary school through a presentation and discussion around construction and safety awareness.

Human Rights

Our [Management Approach to Human Rights](#) and our [Human Rights Policy](#) provide additional information on our commitment to human rights both in our organisation and across our supply chain. We are not aware of any incidents of child labour or forced/compulsory labour in the operations or supply chain of our principal contractors. In response to the Modern Slavery legislation, Stockland has undertaken a process to further understand our supply chain and operations and areas of possible exposure to modern slavery. We have developed and implemented a strategy to increase awareness of modern slavery risk both internally and with our suppliers, and strengthened our due diligence processes in this regard. More information can be found in our [Modern Slavery Statement](#).

Innovation, capability and capacity

Stockland continues to track, test and discuss supplier capability and capacity with work pipeline to ensure a sustainable and achievable balance of appointed work. As an example, Corporate Scorecard is utilised to test supplier financial capability on a regular basis and in line with potential award values and timelines, as well as with shifting market cycles that adjust risk profiles.

We continue to encourage our suppliers to participate in programs initiated by the Supply Chain Sustainability School, of which we are a founding member and financial contributor. The School has over 1900 people registered and over 1000 unique organisations engaged, ranging from small businesses to large organisations in the public, private, and non-for-profit sectors.

CASE STUDY

WHITEMAN EDGE RECONOPHALT TRIAL

The Whiteman Edge Reconophalt Trial in Western Australia has demonstrated the ability to re-purpose waste materials destined for landfill into high-performing roads. This trial further supports Stockland's sustainability outcomes whilst creating a new supply chain opportunity.

Delivered in April 2020 the trial replaced 1km of traditional asphalt with the Downer Reconophalt product made up of 30% recycled content; diverting 500,000 plastic bags and packaging equivalents, 165,000 glass bottles equivalents and 12,000 printer toners from landfill.

The materials are sourced through a partnership with Close the Loop, a resource recovery and recycling company. Then Downer innovatively tailors the soft plastic and toner solution to suit a road construction application.

Prior to the implementation of the trial, a detailed review was undertaken on:

- performance and quality;
- environmental impact; and
- approvals and acceptance.

Performance testing undertaken as part of the review process indicates the Reconophalt product mix increases the fatigue life of the asphalt, improving durability and resistance to cracking.

The review provided assurances that the product did not pose a new or significant risk to human health and the environment. Certification was also received from NSW Environment Protection Authority (EPA). Engagement with Local Authorities was required in order to secure engineering approval and acceptance of the road at handover.

Since the completion of the trial, a National Working Group has been established to seek out a potential strategy for the business to embrace 'a better way' to pave our roads by introducing a sustainable alternative to traditional asphalt.

The Working Group includes a Project Manager state lead for NSW, QLD, VIC and WA who will act as the key point of contact between Stockland and the Contractor/Supplier, ensuring that due diligence is undertaken prior to award and coordinating the implementation across our assets to achieve best-in-industry rates and product performance.



CASE STUDY

INCREASING MATERIALS VISIBILITY AND COLLABORATION IN THE SUPPLY CHAIN

In FY19 Stockland set out to identify potential modern slavery risk in the development of the Willowdale Retirement Village (NSW), Stage 8 Project. In conjunction with our contractor, Patterson Building Group, we sought to map the supply chain of an independent living unit and identify potential modern slavery risks in the supply chains for the construction materials and labour.

Fair Supply was engaged to run the project cost data through their proprietary risk assessment technology and provide an assessment report that measured the risk of modern slavery by industry, country and modern slavery risk factors.

This enabled the project team to identify seven key building materials that required further investigation and engagement deeper in the supply chain to assess and manage the risk.

Further information on this case study can be found at our Willowdale Retirement Village on our website.



Community Data Pack

Background notes

We report our community data holistically, given that our approach to investing in our community is consistent across all our business units. We do however provide breakdowns by business unit when discussing investments and initiatives at asset level.

The data contained in this data pack, and in our FY20 sustainability reporting more broadly, has been **third-party assured**.

Overview

Our community data presents the total value of our strategic community investment activities delivered via:

- **community development** – our strategic approach to delivering infrastructure and social programs in partnership with not-for-profit organisations in the areas of health and wellbeing, community connection and education in and around our assets.
- **community investment** – our long-term strategic involvement in community partnerships and programs that address social issues and opportunities through employee engagement programs.
- The **Stockland CARE Foundation** – a charitable trust established for the purposes of improving the health, wellbeing and education of Australian communities.

In FY20 we invested over \$4.4 million in community programs through the Stockland CARE Foundation, our community development and investment initiatives, and through the facilitation of stakeholder contributions.

Our community development spend is lower for FY20 than in previous years largely due to a change in our reporting coverage. The COVID-19 pandemic has impacted our business in several ways. During this time, Stockland's focus has been on supporting our people, customers, residents and tenants. One of the ways we wanted to support our people (working at our assets) was to reduce the reporting burden and provide them with the time and resources needed to focus on managing our COVID-19 response. As a result, this year we have not collected community development spend data by our assets and communities and have only reported on the community investment spend driven by Stockland's head office. This has included initiatives led through the CARE Foundation, our spend with national community partners, our community investment spend and our response to the COVID-19 pandemic. Additionally, many of our community activations from March onwards were unable to be held due to COVID-19. In some cases they were conducted virtually. Examples include the pivoting of our face-to-face community programs with both Jamie's Ministry of Food and Live Life Get Active to online classes for our residents and customers. Looking forward, we are exploring alternative ways to deliver community development programs and collate investment and impact data in light of the new and evolving context.

Total community contribution

The table below outlines Stockland's total community contribution from community development, community investment and the Stockland CARE Foundation. The total community contribution as verified by the London Benchmarking Group (LBG) is \$4,429,724.¹

		FY20	FY19	FY18	FY17	FY16
Community Development						
National partnerships	Financial contributions made to not-for-profit organisations that are national community development partners of Stockland	\$501,096 ¹	\$908,483	\$742,296	\$457,985	\$290,638
Stockland CARE Grants	Financial contributions made to not-for-profit organisations that were successful in receiving a Stockland CARE Grant	\$276,000 ²	\$590,830	\$560,292	\$303,714	\$325,750
Community Programs³	Financial support provided to local community organisations and programs from a Stockland residential, commercial property or retirement living asset or project	\$562,548 ⁴	\$1,975,324	\$1,971,895 ⁵	\$2,551,436	\$3,435,802
Community Infrastructure⁶	Community infrastructure to promote accessibility and inclusion e.g. Inclusive playspaces, quiet rooms and adult change facilities	\$388,874	\$1,365,703	\$1,460,223	NA	NA
Total community development		\$1,728,519	\$4,840,339	\$4,734,707	\$3,313,135	\$4,052,189
Community Investment						
Workplace giving	Total matched donations made by Stockland through Stockland's workplace giving program	\$119,947 ⁷	\$134,971	\$138,366 ⁸	\$251,197	\$87,584
In-kind donations	Total donations of non-financial goods to not-for-profit organisations including land, property and casual mall leasing space	\$18,000 ⁹	\$83,239 ¹⁰	\$26,801	\$617,414	\$708,926
Corporate donations	Ad-hoc community donations made on behalf of Stockland Development and/or Stockland Trust	\$586,101 ¹¹	\$233,611	\$315,153	\$280,947	\$289,277
National community investment partnerships	Financial support given to not-for-profit organisations that support the delivery of volunteering opportunities for Stockland employees	\$97,500	\$110,000	\$126,000	\$130,000	\$104,500
Volunteering	Value of the number of hours logged from personal and team volunteering and student mentoring	\$306,878 ¹²	\$403,295	\$382,477	\$213,720	\$238,285
Stockland CARE Foundation	Transfer of funds by Stockland to the Stockland CARE Foundation Trust and grants distributed to Stockland CARE Foundation beneficiaries	\$300,000 ¹³	\$200,000	\$200,000	\$200,000 ¹⁴	\$4,200,000
	Donations made to Stockland CARE Foundation partners as a result of corporate contributions and sponsorships	\$19,765	\$12,307 ¹⁵	\$33,790	\$176,034	\$80,095
Total community investment		\$1,448,191	\$1,177,423	\$1,222,587	\$1,869,313	\$5,708,666

¹ There is a slight variance (less than 0.1%) on this amount and the amount included in London Benchmarking Group's verification statement, which can be attributed to rounding limitations with their system.

		FY20	FY19	FY18	FY17	FY16
Management costs	Costs associated with the management and delivery of Stockland's community programs ¹⁶	\$1,069,966	\$1,393,159	\$982,704	\$856,205	\$659,973
Total community contribution		\$4,246,676	\$7,410,921	\$6,939,998	\$6,038,651	\$10,420,828

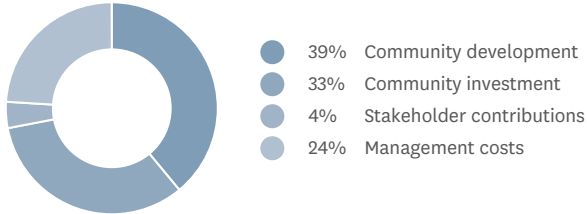
- 1 Cancellation of events due to COVID-19 contributed to a lower spend with national partners in FY20. In addition, FY20 partnership payments for certain partners were paid in FY19 and were included in the FY19 community data.
- 2 Total spend on FY20 CARE Grants was lower than in FY19 which included \$304,830 for community grants for the Aura residential community. This grants program is held biannually and will take place again in FY21.
- 3 In previous years this category was called Asset-based Contributions.
- 4 In FY20 we have excluded spend on community development initiatives that have been managed and paid for by our residential communities, retail town centres and retirement living communities to minimise the reporting impact on our asset teams so they can focus on supporting our customers, residents and tenants during the COVID-19 crisis. Some community programs run at assets are funded and facilitated by Stockland Head Office and have been included in FY20 community development spend.
- 5 In FY17, community infrastructure was included as asset-based contributions. Due to the significant increase in Stockland's community infrastructure, such as inclusive playspaces, quiet rooms and adult change facilities, these have now been called out as a separate item.
- 6 In FY17, community infrastructure was included as an asset-based contribution. However, due to the significant increase in Stockland's community infrastructure such as inclusive playspaces, quiet rooms and adult change facilities, since FY18 community infrastructure has been called out as a separate item.
- 7 Of the \$119,947, \$35,926 went to CARE Foundation partners Redkite, R U OK? and Reach Out.
- 8 This amount decreased in FY18 as we included employee donations in FY17. Employee donations are now reported separately under Stakeholder Contributions.
- 9 As with Community Programs, in FY20 we have excluded CML spend from this category to minimise the impact of collecting this data on our retail centre teams so they can focus on supporting our customers and tenants during the COVID-19 crisis.
- 10 Up to FY17, this amount included the foregone revenue from providing Casual Mall Leasing space to community organisations at a reduced cost. Foregone revenue is now being reported separately as Provision of Space (foregone revenue) under Stakeholder Contributions to align with London Benchmarking Group's reporting methodology.
- 11 Of this \$586,101, \$400,000 was in bushfire donations.
- 12 This reduction in total volunteering hours reflects the cancellation of volunteering events from March to June 2020 in response to COVID-19.
- 13 The increase from FY19 reflects the increase from two to three CARE Foundation partners.
- 14 This amount decreased in FY17 as the prior two years included a \$4 million investment in the Stockland CARE Foundation corpus. An ongoing investment of \$200,000 was made in FY17 and FY18 and this contribution will be made annually.
- 15 Up to FY17, this figure included partner and asset fundraising. This is now reported under Stakeholder Contributions.
- 16 Includes average salaries, costs associated with the development, design and delivery of Stockland's sustainability report, costs of running strategic community programs and training for community employees.

In addition to the items outlined above, we also facilitate community contributions through our stakeholders and through the provision of space, bringing our total community contribution to \$4,429,724.

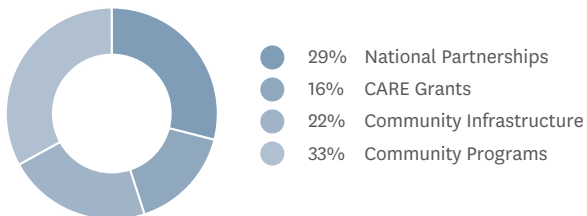
Other Contributions		FY20	FY19	FY18	FY17	FY16
Stakeholder Contributions	Employee, customer, supplier and contractor donations to CARE Foundation partners and other community organisations	\$183,049	\$240,132	NA	NA	NA
Provision of space	Revenue foregone through the use of Casual Mall Leasing spaces by community organisations	NA ¹	\$740,951	NA	NA	NA
Total community contribution including leverage items		\$4,429,724	\$8,392,004	\$7,776,317	\$6,038,651	\$10,420,828

- 1 In FY20 we have excluded CML spend from this category to minimise the impact of collecting this data on our retail centre teams so they can focus on supporting our customers and tenants during the COVID-19 crisis.

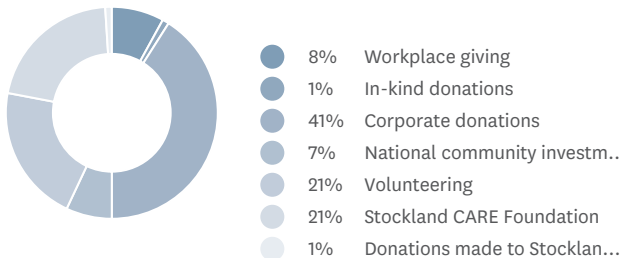
Breakdown of total community contribution at Stockland (Total = \$4,429,724)



Total community development spend (Total = \$1,728,519)



Total community investment spend (Total = \$1,448,191)



We continue to use LBG to measure and benchmark our community activities. LBG capture all data relating to our community investments and allow us to put a dollar figure on our time, monetary support and in-kind donations to charities and community groups.

Our community partnerships, programs and resources

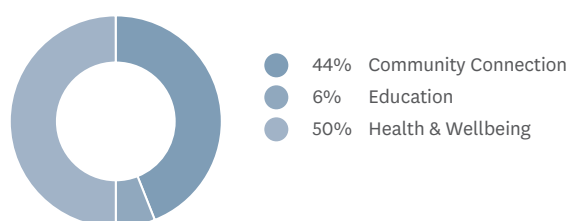
Focus Area	Partner or Program Name	Description
Health and Wellbeing	Bowls Australia	Active lifestyle, learning opportunities and community connection through coaching clinics and master-classes, along with health and wellness information sessions.
	Jamie's Ministry of Food	Provides healthy eating and good nutrition hands-on education programs and cooking schools through community outreach programs in our retirement living communities.
	Live Life Get Active	Weekly, community fitness classes provided free of charge to local Stockland residential communities.
	Heart Foundation	Walking groups that promote physical activity, emotional wellbeing and community connection held in and around Stockland retail, residential and retirement living assets.
	Parkrun	Weekly events for runners and walkers of all fitness levels at Stockland residential communities.
	ReachOut Australia	ReachOut is an online mental health organisation for young people and their parents. It is free and available 24/7 for any young person who needs support with their mental health and wellbeing.
	Redkite	Provides essential support to children and young people with cancer (0-18 years) and their families from the hospital bedside to the family home.
	R U OK?	R U OK? is a public education charity whose vision is a world where we're all connected and are protected from suicide. The R U OK? mission is to inspire and empower everyone to meaningfully connect with people around them and support anyone struggling with life.
Education	Australian Business and Community Network	Provides Stockland employees with opportunities to provide facilitated mentoring in high-needs schools around Australia.
	Australian Retailers Association	Training program for local community members to deliver Retail Ready accreditation.
	National Theatre for Children	Student education program focused on sustainability.
	Retail Ready	Retail training program run by the Australian Retailers Association (ARA).
Community Connection	The Big Issue	Provides a diverse range of supported volunteering experiences for Stockland employees to take part in across Australia.
	Conservation Volunteers Australia	Supported volunteering for Stockland employees to take part in conservation programs across Australia.
	Reconciliation Action Plan (RAP)	Our RAP outlines a set of organisation-wide commitments and actions to strengthen our relationships with and understanding of First Nations Peoples, cultures and communities.
	Stockland CARE Grants Program	Provision of one-off financial grants to local community organisations that deliver programs and initiatives in and around Stockland assets in the areas of health, wellbeing and education.
	Variety – The Children's Charity NSW	Support children (0-18 years) who are sick, disadvantaged or have special needs. Variety provides support to families and organisations through grants, programs, scholarships and experiences.
	Link & Learn	Provides opportunity for residents in our residential communities to connect with one another through events and activities and learn new skills. Programs are planned to respond to the diversity of each community.

Community development

Asset and project initiatives

The following data has been collected as part of each project's community development or sustainability plan. The results provide a comprehensive review of all the community development initiatives implemented at project and asset level.

In FY20 we did not collect the number of community initiatives implemented by our residential communities, retail town centres and retirement living communities to minimise the reporting impact on our asset teams so they could focus on supporting our customers, residents and tenants during the COVID-19 pandemic. Some community programs run at assets are funded and facilitated by Stockland Head Office and only these have been included in FY20 total initiatives count.



Number of community development plans

	FY20 ¹	FY19	FY18	FY17	FY16
Commercial Property	32	39	37	38	40
Communities (Residential)	25	34	33	37	37
Communities (Retirement Living)	54	64	54	57	14

¹ The number of asset plans are lower than previous years due to some centres and projects being divested or put on hold and exiting a number of communities.

Asset and project-based initiatives implemented in FY20

Asset and project-based initiatives are programs, events or other initiatives that are run in partnership with local organisations and causes or financial or in-kind contributions made to an organisation on behalf of Stockland.

	FY20 ¹	FY19	FY18	FY17	FY16
Commercial Property	NA	393	391	265	334
Communities (Residential)	NA	205	229	185	160
Communities (Retirement Living)	NA	596	111	141	67
Corporate	58	42	51	49	Not reported

¹ In FY20 we have not reported on community initiatives that have been managed and paid for by our residential communities, retail town centres and retirement living communities due to the COVID-19 crisis. Therefore, we have not included a breakdown of initiatives by individual business unit for FY20. During this time, Stockland's focus has been on supporting our people, customers, residents and tenants. One of the ways we wanted to support our people (working at our assets) was to reduce the reporting burden and provide them with the time and resources needed to focus on managing our COVID-19 response.

Asset and project-based initiatives by focus area

The table below outlines the asset and project-based initiatives by community development focus area.

	FY20 ¹	FY19	FY18	FY17	FY16
Health and Wellbeing	28	624	175	206	145
Education	9	73	67	61	61
Community Connection	21	539	540	373	355

- ¹ In FY20 we have not reported on community initiatives that have been managed and paid for by our residential communities, retail town centres and retirement living communities and have only reported on the community investment spend driven by Stockland's head office. This has included initiatives led through the CARE Foundation, our spend with national community partners, our community investment spend and our response to the COVID-19 pandemic. Additionally, many of our community activations from March onwards were unable to be held due to COVID-19.

Examples of programs and initiatives delivered at project and asset level

Health and Wellbeing	Education	Community Connection
Commercial Property		
<ul style="list-style-type: none"> 5-star parents/family room Adult change facilities Quiet rooms Accessible & inclusive playspaces Centre-hosted community programs Community health and wellbeing services School holiday cooking programs Community room Cooking classes Education training for retailers and customers End-of-trip facilities Fresh food/healthy eating program Local community group support (infrastructure) 	<ul style="list-style-type: none"> Community information sessions Co-located community facilities Co-working spaces Cultural heritage programs Employment program Environmental program Craft activities for children Learning facilities Retail education program School holiday cooking programs School holiday STEM programs School/tertiary partnerships Social enterprises Sustainability education programs 	<ul style="list-style-type: none"> Stockland CARE Grants Community events/festivals Community Emergency Assistance Planning Cultural diversity Entertainment/leisure precinct Mothers' activities Place-making initiatives Playdates for children Public art Reconciliation program Regular customer engagement Seniors events/ activities Social engagement facility Social engagement programs Youth engagement programs
Communities (Residential)		
<ul style="list-style-type: none"> Adult fitness programs Children's fitness programs Cooking classes Dog training Community spaces designed for varying ages and levels of ability Integrated pedestrian and cycle network delivery and way-finding 	<ul style="list-style-type: none"> Resident energy, water, waste saving and wellbeing education Schools based engagement STEM programs in local schools Sustainability hubs activation Community garden education programs Cycling education programs Resident education on community safety 	<ul style="list-style-type: none"> Stockland CARE Grants Community engagement for design and visioning Welcome program and events Social and seasonal events calendars Inclusive and accessible playspaces Community safety events Link & Learn activities and events
Communities (Retirement Living)		
<ul style="list-style-type: none"> Active and public transport options Active living programs Community safety programs Health checks and health issue awareness Inclusive and accessible spaces Resident preventative health information Mental wellbeing program Nutritional information/cooking classes Provide safe, open spaces Universally accessible community facilities 	<ul style="list-style-type: none"> Community hub (library, community centre) Community learning facilities Co-share, learning facilities/infrastructure E-book sharing (Kindle, tablet) Education infrastructure Environmental awareness/education Local learning/education program Local schools partnership/mentoring Resident energy, water, waste saving and wellbeing education Skills development/retraining programs Technology including social media training 	<ul style="list-style-type: none"> Stockland CARE Grants Celebrate and support local community events Community groups and associations Community infrastructure Provide vibrant spaces Public art Safety program Social engagement activities Support local community groups Village/community directory

National partnerships

We contributed our time and a financial investment of over \$500,000 to our national community partnerships throughout FY20. An overview of our key national partnerships is provided below:

Heart Foundation

FY20 was the 10th year of our partnership with the Heart Foundation nationally.

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> \$30,000 annual donation Stockland employees administer and facilitate walking groups Focus Area <ul style="list-style-type: none"> Health and Wellbeing Community Connection 	COMMUNITY <ul style="list-style-type: none"> Total of 41,496 walks completed in FY20 33 active weekly walking groups, through 16 retail centres, 16 retirement communities and one residential community 47 active Host Organisations (registered organisations) through 22 retail town centres and 25 retirement communities 1,443 walkers with 1,177 walking in retail town centres, 258 in retirement villages and eight in residential communities 248 new participants and one new walking groups registered in FY20 Participants completed an average of 29 walks in FY20 and have completed an average of 195 walks since joining the program with an average walk duration in the range of 45-60 minutes 	<ul style="list-style-type: none"> 93% of Stockland walking group participants felt that Heart Foundation Walking had improved their overall health. Based on self-reported data, 89% of Stockland walking group participants met the National Physical Activity guides in the previous week. 80% of Stockland walkers indicated their participation has enabled them to have more confidence in engaging in physical activity and increased knowledge and awareness of the benefits of physical activity in reducing risk of chronic disease. When asked for the main reasons why Stockland walkers are still walking with the Heart Foundation, 94% responded 'to improve their health', 56% 'to meet new people' and 41% 'to spend time with others'. 150 minutes per week of moderate to vigorous intensity physical activity (such as brisk walking) can reduce cardiovascular disease by 35%, reduce blood pressure, help maintain a healthy weight, manage stress, reduce the risk of depression and improve sleep¹ 	<ul style="list-style-type: none"> Focus on setting up walking groups in residential communities through a walker recruitment campaign
	BUSINESS <ul style="list-style-type: none"> Media coverage Walkers volunteer time to assist centres with events Co-branded marketing materials New retirement villages engaged, resulting in increased community involvement across the network 	<ul style="list-style-type: none"> Increased foot traffic in our centres, generating more business for our retailers Increased brand recognition Increased customer and community engagement 	

¹ United Kingdom Chief Medical Officers Physical Activity Guidelines. UK Government 2019

Bowls Australia

FY20 was the fifth year of our partnership with Bowls Australia (BA).

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> \$95,000 contribution Approximately 150 hours contribution from BA staff Focus Area <ul style="list-style-type: none"> Health and Wellbeing Community Connection Education 	COMMUNITY <ul style="list-style-type: none"> Five coaching clinics held by Australian Jackaroo representatives and community level coaches across Vic, NSW and SA with a total of 40 residents attending Piloted Roll Back the Clock, a four-week program in SA with 10 residents attending A further six Australian Jackaroo clinics, nine community coach clinics and two Roll Back the Clock programs planned for FY20 were postponed due to COVID-19 Stockland presented a series of five Men's Health Week videos to all of our retirement living villages with a focus on the role that bowls has to play and the importance for men to speak up about health and wellbeing 	<ul style="list-style-type: none"> Feedback from surveys collected at the Lakes Estate Retirement Village Coaching Clinic: 100% of respondents enjoyed attending the event 100% of respondents enjoyed feeling more connected to their friends and community 100% of respondents learned new bowling skills and techniques 100% of respondents would recommend any future Stockland and BA events to their friends Men's Health Week online content reached 51,000 people, with 11,000 views and over 6,000 minutes viewed Testimonials taken from Men's Health Online "A brilliant way to highlight the importance of Men's Health at a poignant time" "The fact that Stockland allowed BA to have genuine conversations with some of our male leaders was greatly appreciated" 	<ul style="list-style-type: none"> BA to reschedule 19 clinics that were placed on hold due to COVID-19 restrictions Continue to look for opportunities to maximise impact and enhance the value of online and physical BA events
	BUSINESS <ul style="list-style-type: none"> 18 Roll Back the Clock video clips, featuring Stockland branding Media value through Bowls Premier League events, which were attended by 60,000 live viewers. Media value has been estimated by BA as \$151,000. 		

Live Life Get Active

FY20 was the sixth year of our partnership with Live Life Get Active (LLGA).

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> \$333,046 in financial contributions Free outdoor activity camps to promote fitter, healthier and happier communities Online delivery of classes and health and nutrition information during COVID-19 Focus Area <ul style="list-style-type: none"> Health and Wellbeing Community Connection 	COMMUNITY <ul style="list-style-type: none"> 18 LLGA fitness camps in Stockland communities across NSW, QLD, VIC and WA 10,061 participants from the direct and surrounding suburbs 9507 hours of outdoor activity Online recorded classes provided to members during COVID-19 with 20,700 views over a 3-month period 85 live online fitness sessions engaged 770 members on average per week over a 5-week period 	<ul style="list-style-type: none"> Participants' health and wellbeing improvements include: <ul style="list-style-type: none"> 8,995 kilograms lost 12,331 centimetres lost from around the waists of members Members participating 3 times a week over 20 weeks lost 5cm on average from their waists and 3kgs Average mood reported of 6.3/10 compared to 5/10 recorded at commencement of program Health and wellbeing survey to understand the impact of COVID-19 sent to 51,000 members, resulted in 2.5% response rate. Results revealed that 30% experienced a range of symptoms including lack of motivation and feeling down and 40% were worried about the future. Positives included enjoying a simpler life and learning new skills 	<ul style="list-style-type: none"> LLGA is now reaching out to medical practices and hospitals in the local areas to promote the positive effects of outdoor exercise and Stockland's LLGA offering New camps being investigated across the country Targeting retirement living where co-located in our residential communities to encourage membership Continue to promote online offering Use survey results to develop new content and invite online social interaction for wellbeing topics
	BUSINESS <ul style="list-style-type: none"> Media coverage Co-branding and promotion of Stockland on a weekly basis at 15 Stockland communities Industry recognition for partnership with LLGA 	<ul style="list-style-type: none"> Increased brand recognition Increased community engagement 	

Jamie's Ministry of Food

FY20 was the seventh year of our partnership with Jamie's Ministry of Food (JMOF).

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> \$122,925 in annual operational support Advocacy for healthy cooking skills and good nutritional behaviour Focus Area <ul style="list-style-type: none"> Health and Wellbeing Education Community Connection 	COMMUNITY <ul style="list-style-type: none"> 1281 participants across different delivery models 370 children attended a Learn Your Fruit and Veg (LYFV) program at Stockland Balgowlah (NSW) and Burleigh Heads (Qld) retail town centres Conducted a six-week outreach program at seven villages across Vic, QLD and SA, attended by 58 residents Happy Hour cooking demonstrations were held over six weeks to 523 residents and prospective residents Due to COVID-19 restrictions, the five-week outreach program was offered to residents in NSW and Vic villages via online live and recorded sessions, with 19 and 177 residents attending respectively 	<ul style="list-style-type: none"> Participants completing a five-week course through the JMOF program consume half a serve more vegetables per day and cook more meals from scratch Increased social connectedness, particularly for socially isolated participants and participants with disabilities 	<ul style="list-style-type: none"> Continue to look for opportunities to bring programs to our retail and residential, retirement communities. Further online activations
	BUSINESS <ul style="list-style-type: none"> Media coverage in Victorian local paper (Brimbank Star Weekly promoting the benefits of the online course) Aligning Stockland brand with Jamie's Ministry of Food Engagement with local council, Government and health champions 	<ul style="list-style-type: none"> Increased brand recognition Increased community satisfaction in centres and retirement villages Increased foot traffic in centres Increased stakeholder engagement across the community, businesses, customers and retailers 	

Redkite

FY20 was the fifth year of the Stockland CARE Foundation's partnership with Redkite. Due to the success of the first three years, the partnership has been extended to FY21.

Input	Output	Impact ¹	Future
Contribution <ul style="list-style-type: none"> \$100,000 annual donation from the Stockland CARE Foundation Trust \$77,450.51 in workplace giving donations, customer and employee fundraising \$5,000 in Stockland gift cards 121 volunteer hours from Stockland employees Focus Area <ul style="list-style-type: none"> Health and Wellbeing Community Connection 	COMMUNITY <ul style="list-style-type: none"> As a result of Stockland's funding, Redkite was able to provide practical and/or emotional support services to 73 families at different stages of their child's cancer journey Of the 73 families that Stockland supported, 54 received financial assistance grants, which help with the 'hidden' costs of cancer, such as fuel, transport, food and accommodation Qualified social workers provided 28 of these families with information, support and/or counselling services Around 17 of the families that Stockland supports received education and/or career support from a professional education and career support consultant and/or through an education grant Redkite resources (such as diagnosis packs, books and/or other practical resources) were provided to 16 families to help them better manage their cancer experience 	<ul style="list-style-type: none"> Among all the individuals and families supported: 82% felt more equipped to support their family 66% felt more in control of their / their child's care Among those who received financial assistance grants: 86% felt more equipped to manage their situation 80% felt reduced pressure on family relationships Among those who received information, support and/or counselling: 73% felt less alone 68% had new strategies to help them manage Among those who received education and/or career support: 65% were better able to manage the impact cancer had on their education and/or career Among those who received resources from Redkite 60% felt these resources helped them identify strategies to help manage their situation 	<ul style="list-style-type: none"> Continue to raise awareness across Stockland assets and communication channels Conduct a collaborative research project with the CARE Foundation's other national strategic Foundation partners (ReachOut and R U OK?) to help develop a greater understanding of the community's health and wellbeing needs Undertake a national collaborative campaign with ReachOut and R U OK? for mental health month in October 2020 to raise awareness of the importance of mental health in the community
	BUSINESS <ul style="list-style-type: none"> Redkite supported Foundation activities at 14 retirement villages and four head offices nationally 	<ul style="list-style-type: none"> Increased employee engagement Increased customer satisfaction 	

¹ This data is based on a survey of Redkite's clients conducted in 2019. Of 1943 invitations, 457 individuals participated (response rate of 24%).

ReachOut Australia

FY20 was the first year of the Stockland CARE Foundation's partnership with ReachOut.

Input		Output	Impact	Future
<ul style="list-style-type: none"> \$100,000 annual donation from the Stockland CARE Foundation Trust \$30,527 in workplace giving donations, customer and employee fundraising \$5,000 in Stockland gift cards \$3,000 contribution towards ReachOut's 2019 Fundraising Dinner 20 hours of volunteer time <p>Focus Area</p> <ul style="list-style-type: none"> Health and Wellbeing Community Connection Education 		<p>COMMUNITY</p> <ul style="list-style-type: none"> The funding received from Stockland enables ReachOut to be responsive in times of change and challenge. With this funding, ReachOut has been able to provide COVID-19 support for 1360 young people, parents and educational professionals during the crisis Young people and their families in the Stockland retail and residential communities received back-to-school support resources through social media to help them through this transition Mental health resources were provided during the bushfire crisis to help and support across Stockland communities Piloted the national fundraiser Laps for Life with employees involving physical exercise and the link to the mental health On Demand interview featuring Jules Sebastian and Ashley de Silva, CEO of ReachOut, about COVID-19, young people and mental health available to employees and general public 	<ul style="list-style-type: none"> Stockland contributed to allowing ReachOut to provide mental health support to: <ul style="list-style-type: none"> 29,684 young people 3,555 parents and carers 1,840 education professionals, parents and students through Schools Enhanced community connection and sense of belonging by working with Stockland assets to engage on mental health messaging. This was particularly relevant in the COVID pandemic including: <ul style="list-style-type: none"> 10,000 postcards with 'Tips to feeling great about yourself' delivered in emergency food boxes to disadvantaged families. 	<ul style="list-style-type: none"> Continued involvement in the 'Residential Beyond.Com Project' ensuring physical and digital resources are available to our residents and their families Conduct a collaborative research project with the Foundation's other national strategic Foundation partners Redkite and R U OK? to help develop a greater understanding of the community's health and wellbeing needs that can be addressed via ReachOut future strategic programs Undertake a national collaborative campaign with Redkite and R U OK? for mental health month in October 2020 to raise awareness of the importance of mental health in the community
		<p>BUSINESS</p> <ul style="list-style-type: none"> National awareness campaign and events to launch new partnership with ReachOut ReachOut and R U OK? collaborated on a webinar for over 400 Stockland staff to discuss the impact of COVID-19 and the importance of staying connected ReachOut supported Stockland's 2020 Mardi Gras employee engagement activation, by providing a ReachOut Youth ambassador as a guest speaker at an employee Mardi Gras event, exploring mental health and gender identity with a speech on transgender diversity 	<ul style="list-style-type: none"> Increased brand recognition and reputation of Stockland CARE Foundation Providing mental health support resources during COVID-19 pandemic and the Bushfire crisis 	<ul style="list-style-type: none"> Building relationship with LGBTI+ Employee Advocacy Group to create more awareness of ReachOut messaging and resourcing during key times of the year Meeting with ReachOut's head researcher and marketer to discuss the 'Identity Project' to understand learnings that are relevant to Stockland retail assets

R U OK?

FY20 was the first year of the Stockland CARE Foundation's partnership with R U OK? The partnership was launched in September 2019.

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> \$100,000 annual donation from the Stockland CARE Foundation Trust \$28,174.34 in workplace giving donations, customer and employee fundraising \$5,000 in Stockland gift cards Focus Area <ul style="list-style-type: none"> Health and Wellbeing Community Connection Education 	COMMUNITY <ul style="list-style-type: none"> A campaign advisory group was assembled and is representative of a range of life experience and expertise. The group includes representatives from the retirement living industry, including Stockland personnel 10,000 R U OK? Connection Cards distributed nationally to Stockland retirement living residents 22 retail town centres participated in R U OK? Day activations Mental health content built into new Stockland Retail 'Belong' site encouraging customers and retailers to #stayconnected, which is an R U OK? campaign to encourage people to maintain connections with friends, family and colleagues Over 25,000 impressions on social posts relating to the R U OK? connection cards distributed 	<ul style="list-style-type: none"> Focusing on mental health and raising awareness through R U OK? Day has created more connected communities around our retail centres Enhanced connectivity of our retirement living residents achieved through connection cards, including examples of residents checking in on each other more regularly and feeling less lonely Over 25,000 impressions on social posts relating to the R U OK? connection cards being distributed 	<ul style="list-style-type: none"> Stockland Retirement Living will implement an 'Older Australians' pilot program in selected locations to test the campaign's relevance and messaging before a nationwide launch Continue to roll out relevant social media posts and webinars across Stockland assets that contribute to community connection Conduct a collaborative research project with the CARE Foundation's other national strategic Foundation partners (Redkite and ReachOut) to help develop a greater understanding of the community's health and wellbeing needs Undertake a national collaborative campaign with Stockland, Redkite and ReachOut for Mental Health Month in October 2020 to raise awareness of the importance of mental health Identify opportunities to promote the R U OK? indigenous 'Stronger Together' campaign at Stockland's assets for NAIDOC Week 2020 Pilot R U OK? Day in a Stockland Workplace Logistics asset
	BUSINESS <ul style="list-style-type: none"> National awareness campaign and events to launch new partnership with R U OK? R U OK? and ReachOut collaborated on a webinar for 400 Stockland staff to discuss the impact of COVID-19 and the importance of employees staying connected 	<ul style="list-style-type: none"> Enhanced employee engagement and wellbeing through the employee webinar by R U OK? and ReachOut Strategic use of R U OK? to strengthen the message and knowledge of employees on looking after their mental health Increased brand recognition and reputation of Stockland CARE Foundation 	

Conservation Volunteers Australia

FY20 was the fifth year of our partnership with Conservation Volunteers Australia (CVA).

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> Annual partnership fee of \$15,000 20 Stockland volunteers Four events for children of Stockland employees at Stockland's Christmas 'Kids at Work' parties Focus Area <ul style="list-style-type: none"> Health and Wellbeing Community Connection 	COMMUNITY <ul style="list-style-type: none"> 20 employees volunteered to treat a 700m2 area for invasive weed species. These efforts will allow native flora species to become more prevalent over time, which will create ideal habitats for native bird species 2 kg of mixed rubbish (plastic wrappers, bottles, cigarette butts) was collected from the beach preventing ocean pollution Piloted seed-bomb making at a retirement village in Victoria with 16 residents. Seed bombs consist of soil, native seed and clay, which protects the seeds. Seed bombs can be distributed in gardens or nature for plants to grow. More than 200 seed bombs were created across multiple events attended by children and residents. These workshops provide hands-on access to environmental education that incorporates STEM Due to COVID-19, we had to postpone a volunteering event planned in May for 60 Stockland employees 	<ul style="list-style-type: none"> The Henley Bushland Reserve in Kwinana is notable for being a roosting site for the endangered Carnaby's Cockatoo, and is home to a wide variety of beautiful small bird species. CVA has been active in the area to continuously protect the habitat of Carnaby's Cockatoo and other native bird species 	<ul style="list-style-type: none"> When in-person volunteering resumes we will work to reschedule any postponed volunteering activities
	BUSINESS <ul style="list-style-type: none"> Enhanced engagement through team-building activities for our employees Inclusion of Stockland brand on CVA website Approximately 160 children of employees participated in seed-bomb making events in Perth, Melbourne, Brisbane and Sydney as part of Stockland's Kids at Work celebration 	<ul style="list-style-type: none"> Increased brand recognition 	

Australian Business and Community Network

FY20 was the 14th year that we have been a member of the Australian Business and Community Network (ABCN).

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> \$65,000 membership fee \$28,000 donation to Scholarship Foundation for two indigenous scholarships \$4,000 for the Spark Reading program in two retirement living villages \$5,938 catering to support mentoring programs 132 Stockland volunteers (124 mentors, one facilitator, seven ABCN champions) 721 volunteer hours Focus Area <ul style="list-style-type: none"> Education 	COMMUNITY <ul style="list-style-type: none"> 343 students from 26 ABCN schools benefitted from Stockland mentoring Stockland supported eight indigenous scholars nationally with another two to be awarded in November 2020 Supported innovation through a pilot program moving face-to-face mentoring to online digital programs to enable reach into regional and rural schools Stockland mentors participated in a collaboration between ABCN and Aurora Foundation bringing indigenous students, mentors and elders together Funded a pilot Spark reading program, engaging residents from a Retirement Living village with disadvantaged students from a primary school in SA 	<ul style="list-style-type: none"> 93% of students in the primary school reading program Spark, demonstrated greater literacy comprehension 97% of students in the one-on-one mentoring program GOALS now realise the importance of setting goals for their future (up from 42%) 94% of students in the Interview to Impress program understand what to do at a job interview (up from 20%) 89% of girls in the Focus female leadership program saw themselves as a leader after participation (up from 41%) 94% of students in the InterACT program for refugees and recently arrived migrants felt more confident speaking English with different people (up from 34%) 100% of scholars in the Accelerate scholarship program were confident that they will achieve their goals (up from 59%) 	<ul style="list-style-type: none"> Expansion of the Spark literacy program to enable two Retirement Living villages to participate Due to COVID-19 ABCN is undertaking a rapid digital transformation to facilitate program delivery online, ensuring mentors and students can continue to connect and engage. Stockland is supporting this innovation through participation in digital mentoring programs The digital transformation will also allow the program to reach more regional and rural students and allow a range of employees from all asset bases to take part
	BUSINESS <ul style="list-style-type: none"> Learning and Development mentor opportunities enhance employee engagement and support employee development Hosted two ABCN member network meetings for collaborative discussions on network impact, developments and continuous improvement 	<ul style="list-style-type: none"> Brand recognition amongst schools, students and other ABCN member companies Increased employee engagement and increased confidence in mentoring, coaching and facilitation for Stockland employees 	

The Big Issue

FY20 was the third year of our partnership with The Big Issue.

Input	Output		Impact	Future
Contribution <ul style="list-style-type: none"> Annual partnership fee of \$30,000 36 Stockland employees volunteered across a range of activities including vendor breakfasts and soccer matches 94 hours of volunteering Focus Area <ul style="list-style-type: none"> Health and Wellbeing Community Connection 	COMMUNITY	<ul style="list-style-type: none"> 17 Stockland staff volunteered with our Community Street Soccer Program in Brisbane and Sydney, helping participants re-engage with the community 19 team members prepared, cooked and served breakfast to magazine street vendors in Melbourne, Perth, Sydney and Brisbane 	<ul style="list-style-type: none"> Participants of the Community Street Soccer program engaged in a safe and non-threatening environment to promote health, wellbeing and social inclusion <i>The Big Issue</i> magazine street vendors provided with a hot, nutritious meal they may not otherwise have been able to afford Reinforced message that the community cares about people who are doing it tough and working to improve their lives 	<ul style="list-style-type: none"> Reviewing potential partnership opportunities including digital education classroom for Stockland employees, focusing on the impacts of hardship resulting from COVID-19 Review potential opportunities to collaborate on The Big Issue's Homes for Homes social enterprise
	BUSINESS	<ul style="list-style-type: none"> Team-building activities for our employees Website brand recognition 	<ul style="list-style-type: none"> Increased brand recognition 	

The National Theatre for Children

FY20 was the fourth year of the partnership with The National Theatre for Children (NTC).

Input	Output	Impact	Future
Contribution <ul style="list-style-type: none"> Total contribution of \$74,200, consisting of \$7,000 - \$9,900 per primary school Free Battery Recycling Challenge including live-in school performances, print and digital resources Year-round engagement at schools to extend learning and drive measurable environmental impact Parents and families engaged with take-home resources and incentives to collect batteries and return them to school for recycling Focus Area <ul style="list-style-type: none"> Education Community Connection 	COMMUNITY <ul style="list-style-type: none"> 16 live school performances of the <i>Big Battery Rescue</i> with 12 proceeding and four run as virtual online performances due to COVID 19 5657 primary school students from 11 primary schools attended the <i>Big Battery Rescue</i> performances 275 primary school teachers utilised the print and digital education resources from the <i>Big Battery Rescue</i> 277 battery recycling buckets provided to schools 4122 primary school students from 21 schools undertook year-round 5745 primary students participated in the school expos across 21 schools with 347 teachers and 2894 parents, grandparents and siblings attending the expo 	<i>The Big Battery Rescue:</i> <ul style="list-style-type: none"> Teachers rated the overall educational value of the program a 6.32 out of 7 100% of schools who saw the program reported they would like to see this type of program in the future <i>Showdown at Waste World:</i> <ul style="list-style-type: none"> Teachers rated the overall educational value of the LEGO Education WeDo 2.0 Sets a 6.48 (out of 7) 100% of schools who saw the program reported that using the WeDo2.0 sets would positively influence students' interest in STEM 100% of teachers said they would like to see this type of program run in their school again in the future, and 80% said the program exceeded their expectations 	<ul style="list-style-type: none"> Continued planning to engage additional schools and communities in FY21 Pilot with retirement living villages to drive engagement between villages and schools within their community
	BUSINESS <ul style="list-style-type: none"> Educational websites branded with Stockland's logo with information about Stockland's support Stockland branded promotional materials including videos, customised social media feeds, media release and approved images Media generated included nine school media stories and 51 social media stories 3679 visits, 35404 hits and 1711 unique visitors to the Stockland branded website BigBatteryRescue.com 277 Stockland branded battery recycling buckets printed and delivered into schools nationally 	<ul style="list-style-type: none"> Increased brand recognition 	

National community development projects

Stockland CARE Grants Program

Our CARE grants provide an easily accessible, criteria-based program for our assets and projects to give back to local communities and respond to sponsorship requests. It allows for increased engagement opportunities with local community groups, brand exposure and media coverage.

The CARE grants also allow us to track the impacts of our community investment, with grant winners required to provide updates on progress. In FY20 a total of 266 grants to the value of \$276,000 were invested in local communities surrounding Stockland assets.

Commercial Property

- 284 applications received from local community organisations across 26 shopping centres;
- 99 grants awarded; and
- \$99,000 invested into our local communities.

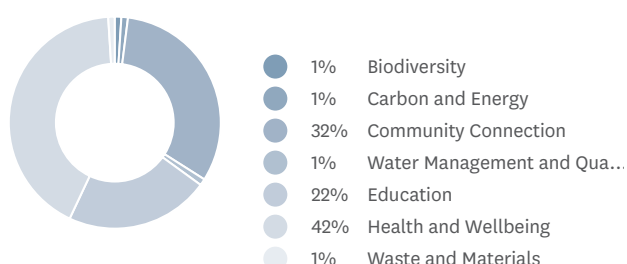
Residential

- 149 applications were received across 23 communities;
- 92 grants were awarded to local community organisations; and
- \$92,000 invested into our local communities.

Retirement Living

- 147 applications received across 50 villages;
- 85 grants awarded to local community organisations; and
- \$85,000 invested into our local communities.

Breakdown of grant winners by stockland focus area in the FY20 care grants round



Community engagement

Retirement Living – Residents' Voice

The Residents' Voice survey is a comprehensive survey used to measure resident satisfaction whilst living in a Stockland retirement village. A total of 6,659 residents participated in the FY20 survey, which is 60% per cent of all residents.

Focus Area	Element	Response (% satisfaction score)			
		FY20	FY19 ¹	FY17	FY16
Health and Wellbeing	Physical health	78%	77%	76%	76%
	Emotional wellbeing (sense of achievement)	84%	83%	82%	82%
	Personal relationships	92%	91%	90%	92%
	Feeling safe	94%	93%	92%	92%
	Number of social activities to participate in	86%	85%	83%	83%
	Satisfaction with accessibility features	89%	89%	88%	87%
Education	Satisfaction with the opportunity to try new things and learn	81%	79%	74%	75%
Community Connection	Satisfied with sense of community	86%	87%	85%	86%
	Satisfied with opportunity to connect with others	89%	89%	87%	88%

¹ We did not administer the Residents' Voice survey in FY18 because of changes to the timing of our research program from Autumn to Spring of each year and because our residents had already participated in another industry survey in Jan 2018.

Residential – Liveability Index survey

In FY20 we received almost 2,000 responses across 18 residential communities to our annual proprietary Liveability Index survey. This research tells us how satisfied our residents are once they have moved into our residential communities, what we are doing well, and learnings that we can take forward for future developments. Insights from this research are used to inform strategic planning of each community and our national community design guidelines. For further information on how we use this insight to inform community development, please refer to the [Community Deep Dive](#).

Our liveability research has been an important focus of our customer engagement activities since its inception in 2011. In FY20 we scored 74%, which is marginally below target of 75% due to the removal of a number of high-performing, well established communities, and the inclusion of new/developing communities (8/18 communities in scope are in the early stages of development). It is important to note that satisfaction scores remain high in terms of absolute score. Due to a change in scale, liveability results prior to FY18 are not directly comparable to results from FY18 onward.

The below table provides historical Liveability Index adjusted scores and resident satisfaction scores. Refer to the [Customer Engagement and Experience Deep Dive](#) for a description of our Liveability Index.

Liveability and resident satisfaction

	FY20	FY19	FY18	FY17	FY16
National Liveability Index (Residential Communities) ¹	74%	74%	78%	78%	79%
Personal Wellbeing Index (Residential Communities)	78%	76%	77%	79%	80%
Resident satisfaction across our communities (Retirement Living) ²	92%	91%	NA	90%	90%
Personal Wellbeing Index (Retirement Living)	83%	83%	NA	82%	82%

1 Liveability score is a single number that measures resident satisfaction on a range of attributes calculated using regression analysis. Note: results prior to FY18 are adjusted to reflect change in scale and to allow for comparison

2 Results prior to FY18 have been adjusted to take into account the change in scale and provide comparability guidance. Based on percentage rating satisfaction as 6-10 out of 10.

Community Investment

Workplace Giving

	FY20		FY19		FY18		FY17	
	Amount donated	Charities supported	Amount donated	Charities supported	Amount donated	Charities supported	Amount donated	Charities supported
Employee Donations ¹	\$121,505	144	\$158,911	143	\$140,156	123	\$127,231	107
Corporate Dollar Matching ²	\$116,437		\$134,971		\$138,366		\$123,966	
Total	\$237,942	144	\$293,881	143	\$278,522	123	\$251,197	107

1 Total employee donations made by full-time, part-time and permanent contract Stockland employees through Stockland's Workplace Giving Program and cash and gift card donations.

2 Total amount of matched funds donated by Stockland to various charities through Stockland's Workplace Giving Program.

Volunteering

	FY20			FY19			FY18		
	Employees	Total Hours	Proxy Financial Value ¹	Employees	Total Hours	Proxy Financial Value	Employees	Total Hours	Proxy Financial Value
Team Volunteering ²	203	914	\$80,602	355	1490	\$131,433	303	1,405	\$123,935
Student Mentoring ³	125	721	\$63,599	144	996	\$87,813	154	1,008	\$88,938
Personal Volunteering ⁴	154	753	\$66,440	247	889	\$78,445	143	282	\$24,840
CARE Committees ⁵	54	773	\$68,186	61	917	\$80,844	55	730	\$64,371
Foundation Fortnight ⁶	78	318	\$28,051	90	281	\$24,787	78	911	\$80,359
Total	488⁷	3479	\$306,878	624	4572	\$403,323	480	4,336	\$382,443

¹ Calculated using LBG standard values.

² Includes total number of employees and hours that Stockland employees have participated in a team volunteering day with a not-for-profit organisation. Proxy financial values for FY20 are determined by the number of hours multiplied by the average hourly remuneration rate as included in LBG's guidance manual

³ Facilitated student mentoring programs run in partnership with the Australian Business and Community Network (ABCN) and are offered to Stockland employees in FY20 in NSW, WA, Queensland, Victoria and South Australia.

⁴ Number of individual employees who took up personal volunteering in FY20 by taking up to 2 days of volunteering leave or using flexible working arrangements. Personal volunteering leave details including the number of hours volunteered and chosen charity must be logged in Stockland's HR system and approved by the individual's manager.

⁵ Number of individual employees who sat on state-based employee Committees to facilitate activation of community and Foundation activities in their local areas.

⁶ This category refers to Stockland employees volunteering at internal activations for the Stockland CARE Foundation.

⁷ Note that the total of these activities is higher than the reported amounts as some employees have been involved in more than one type of volunteering activity and we report by total employees involved

Employee Participation

	FY20	FY19	FY18	FY17	FY16
Workplace Giving Program ¹	29.40%	31%	32%	29%	26.00%
Volunteering Program ²	30%	41%	31%	31%	48.00%

¹ Total number of individual employees who participated in Stockland's Workplace Giving Program in FY20 as an ongoing or one-off donor as a percentage of total average workforce for FY20.

² Total number of individual employees who have participated in Stockland's team volunteering program, student mentoring or personal volunteering programs as a percentage of Stockland's total average workforce for FY20.

Environmental Data Pack

Background notes

As a property owner and developer, acquisitions, divestments and development activity within a given year can significantly impact our environmental performance. The table below provides an overview of the activity profile for each of our businesses and how this affects our environmental data.

	Activity Profile	Energy and Emissions	Natural Resources
Group operations	Internal corporate operations.	<p>Unless there are significant changes to the tenancies that we operate from, minor fluctuations generally reflect external factors beyond our control.</p> <p>Scope 1: Vehicle fleet fuel.</p> <p>Scope 2: Purchased electricity.</p> <p>Scope 3: Hire car, airline and rental car travel.</p>	<p>The water, waste and other natural resources are typically managed by the base building that we are tenanting. Where we are a tenant within our own building, these resources are reported under the base building.</p>
Commercial Property	Operating our Retail Town Centre, Workplace and Logistics assets.	<p>Unless there are significant changes to our portfolio, or key infrastructure upgrades/ installations, changes generally reflect energy efficiency programs and initiatives.</p> <p>Scope 1: Gas consumption, refrigerants.</p> <p>Scope 2: Purchased electricity.</p> <p>Scope 3: Transmission losses, operational waste.</p>	<p>Unless there are significant changes to our portfolio, changes reflect water efficiency programs and initiatives, tenancy mix, water leakages, or changes to asset management arrangements.</p> <p>Water: Potable water consumption.</p> <p>Waste: Operational waste, development construction waste.</p>
Communities	Development of our projects and communities, predominantly undertaken by our residential and retirement living community contractors.	<p>Increased civil works activity has a direct correlation with increased energy and emissions. In periods where we are actively developing our assets, our emissions profile is higher.</p> <p>Scope 1: Emissions from gas and fuel consumption reported by our contractors, and our direct gas consumption.</p> <p>Scope 2: Emissions from electricity consumption reported by our contractors, and our purchased electricity.</p> <p>Scope 3: Transmission losses.</p>	<p>Increased civil works activity has a direct correlation with increased water consumption. In periods where we are actively developing our assets, our water consumption, and particularly that of our residential contractors, is higher.</p> <p>Increased finishing works (landscaping and upgrades in our retirement living communities) also contribute to increased water consumption, and retirement living contractors generally undertake these works.</p> <p>Water: Potable and non-potable water consumption reported by our contractors, and our direct water consumption.</p> <p>Waste: Waste generation reported by our contractors.</p> <p>Biodiversity metrics vary and reflect the specific characteristics of our residential community projects.</p>

	Activity Profile	Energy and Emissions	Natural Resources
Communities	Operating our retirement living communities.	<p>Unless there are significant changes to our portfolio (e.g. the acquisition of Aevum in FY11 which nearly doubled the size of our Retirement Living business) annual changes generally reflect energy efficiency programs and initiatives, climatic conditions (i.e. milder temperatures reduce energy demand), unit vacancy and development villages opening to residents.</p> <p>Scope 1: Our direct gas consumption (can include our residents' consumption where a village is not sub-metered).</p> <p>Scope 2: Our direct consumption of purchased electricity (can include our residents' consumption where a village is not sub-metered).</p> <p>Scope 3: Transmission losses.</p>	<p>Unless there are significant changes to our portfolio (e.g. the acquisition of Aevum in FY11 which nearly doubled the size of our Retirement Living business) annual changes reflect water efficiency programs and initiatives and development villages opening to residents.</p> <p>Water: Water consumption.</p>

Environmental impacts from transport are not considered material for our organisation. While we report on Scope 3 emissions as it relates to air and ground transport during business hours, we have excluded employee transport to work due to data reporting challenges. Similarly, we have excluded our supply chain's movement of goods and materials on our behalf.

Carbon and energy

Carbon and energy data within this document is to be read in conjunction with our **Carbon and Energy Deep Dive** available on our [website](#).

Boundary and methodology

We report our Scope 1 and Scope 2 emissions according to our operational control boundary under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). We voluntarily report select Scope 3 emissions in accordance with the GHG Protocol Corporate Standard. All of our operations are based in Australia.

Scope	Boundary
Scope 1	<p>Direct emissions, i.e. emissions from fuels that are combusted on site (including natural gas, diesel and petrol from fleet) as well as refrigerant leakage.</p> <p>Direct emissions reported by contractors where we have operational control (typically residential community projects). Contractors are required to supply their gas and fuel consumption data as part of monthly reporting.</p> <p>Emissions from gas consumption across the Retail Town Centre, Workplace, Logistics, Residential and Retirement Living assets for which we have operational control. For those assets that have missing invoices estimates are provided.</p> <p>Tenant gas usage is not included except where we are the tenant.</p> <p>Emissions from use of explosives by civil works contractors are excluded.</p>
Scope 2	<p>Indirect emissions from the consumption of electricity only.</p> <p>Indirect emissions reported by contractors where we have operational control (typically residential community projects). Contractors are required to supply their electricity consumption data as part of monthly reporting.</p> <p>Emissions from base building electricity across the Retail Town Centre, Workplace, Logistics, Residential and Retirement Living assets for which we have operational control. For those assets that have missing invoices estimates are provided.</p> <p>Tenant electricity usage is not included except where we are the tenant.</p>
Scope 3	<p>Other indirect emissions, including hire cars, rental vehicles and airline travel, transmission and production losses from purchased electricity, gas and fleet fuel and operational waste from our Commercial Property portfolio.</p>

Notes:

- Development contractor resource and energy data is provided to us by third party contractors in accordance with NGER Act reporting requirements.
- Logistics data is predominantly related to vacant spaces or minimal external and internal common area lighting. Due to the high volatility of this energy and water consumption, setting meaningful targets becomes difficult. Additionally, there are currently no industry standards and therefore we have decided not to set targets for our Logistics portfolio.
- We have embedded networks within our assets, and the usage of our residents and tenants is removed where the usage is outside of our Operational Control under the NGER Act.

Emissions

Total greenhouse gas emissions (tCO₂-e)

	FY20	FY19	FY18	FY17	FY16
Stockland group total Scope 1	21,028	24,230	25,453	26,884	35,036
Stockland group total Scope 2	53,751	70,545	82,591	87,860	89,881
Stockland group total Scope 1+2 emissions	74,779	94,775	108,044	114,744	124,917

Total scope 1 emissions (tCO₂-e)

	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks base building gas	1,179	1,231 ¹	1,160	1,010	1,080
Logistics centres gas	-	-	-	-	-
Retail Town Centres gas	1,269	1,477	1,487	1,451	398 ²
Vehicle fleet fuel	52	86	88	84	86
Refrigerant leaks ³	2,655	1,149	3,203	3,224	3,091
Residential sites fuel & gas ⁴	118	100	69	52	10
Residential contractors fuel and gas	15,092	19,498	18,666	20,278 ⁵	29,525 ⁶
Retirement living communities fuel & gas ⁷	663	688	780	745	487
Retirement living contractors fuel, gas	-	-	- ⁸	393	360
Total Scope 1 emissions	21,028	24,229	25,453	27,237	35,037

1 Increase due to major heating issues at Optus causing the boilers to operate longer and harder.

2 Gas increase due to the removal of electric duct heaters to efficient central boiler heating system.

3 Excludes Refrigerant R-22 in line with NGERs reporting protocol.

4 FY17 onwards includes fuel (for residential site office usage), whereas previous years only consumed gas.

5 Construction activities across master planned residential communities transition from civil works in FY16 to residential lots in FY17.

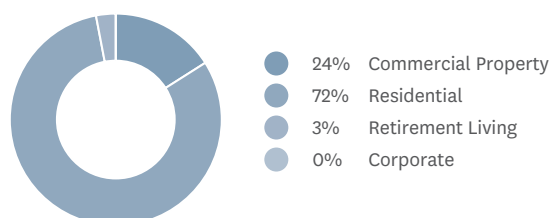
6 Figures reflect our activity profile: continuing increased development activity on existing and new sites.

7 FY19 onwards includes fuel (LPG), whereas previous years only consumed gas.

8 No development works in our Retirement Living business were considered to be within our operational control boundary from FY18.

Scope 1 emissions by business unit

Communities (Residential) constitutes the largest proportion of our Scope 1 emissions due to contractor construction activity across our developments.



Total scope 2 emissions (tCO₂-e) – location based

	FY20	FY19	FY18	FY17	FY16
Corporate tenancies electricity ¹	1,114	1,409	1,421	1,418	1,353
Workplace and Business Parks base building electricity	13,072	16,513	17,603	18,350	19,657
Logistics centres electricity	1,216	1,771	4,254	4,321	1,291
Retail Town Centres electricity	31,214	43,250	51,032	54,327	58,839
Residential sites electricity	1,316	1,532	1,413	1,413	1,515
Residential contractors electricity	80	35	84	147	299
Retirement living communities electricity	5,738	6,035	6,785	7,874	6,918
Retirement living contractors electricity	0	-	- ²	8	8
Total Scope 2 emissions	53,751	70,545	82,592³	87,858	89,880

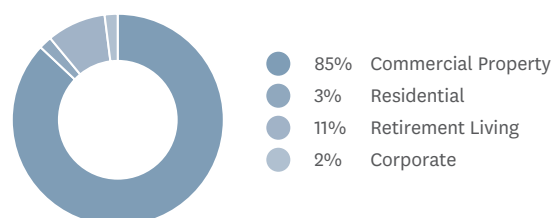
1 In FY20 we began to procure Green Power to serve our Melbourne head office post relocation. Carbon emissions associated with green power are taken to be zero.

2 No development works in our Retirement Living business were considered to be within our operational control boundary from FY18.

3 This figure (82,592) varies from the Scope 2 emissions figure provided on page 3 (82,591) because of rounding in this table.

Scope 2 emissions by business unit

Commercial Property constitutes our largest proportion of Scope 2 emissions and remains the focus of our strategic energy efficiency initiatives and our investment in renewable energy generation. See our [Carbon and Energy Deep Dive](#) for further information on initiatives that contributed to our FY20 performance.



Total scope 3 (tCO₂-e)

	FY20	FY19	FY18	FY17	FY16
Total transmission and production losses (from purchased electricity, gas, water and fleet fuel)	7,518	10,469	13,216	14,675	14,782
Waste disposal ¹	11,494	13,803	14,892	11,990	20,571
Vehicle hire and hire car travel	26	38	64	35	42
Airline travel	1,912	3,262	5,694	4,415	4,233
Total Scope 3 emissions	20,950	27,572	33,866	31,115	39,628

1 From FY16 we expanded our boundary to include scope 3 emissions from waste generated at our Commercial Property assets.

Grid purchased (kWh)

	FY20	FY19	FY18	FY17	FY16
Grid Purchased Electricity	65,332,536	84,032,338	98,976,436	104,704,935	106,364,803
• GreenPower	30,427				
• Renewables (Grid)	12,407,401	15,966,144	15,836,230	14,658,691	13,827,424
• Grid (Brown)	52,894,709	68,066,194	83,140,206	90,046,244	92,537,379

Total scope 2 emissions (tCO₂-e) – market based

	FY20	FY19	FY18	FY17	FY16
• GreenPower	0				
• Renewables (Grid)	0	0	0	0	0
• Brown (Grid)	51,589	66,386	78,191	83,764	85,092

Total large generating certificates (LGC) sold

	FY20	FY19	FY18	FY17	FY16
LGC sold (MWh)	15,287	11,573	589	2,139	1,918
LGC sold (tCO ₂ -e)	14,910	11,287	554	1,990	1,764

Total scope 2 emissions (tCO₂-e) – market based

	FY20	FY19	FY18	FY17	FY16
Total Scope 2 emissions - Net	66,498	77,673	78,745	85,754	86,856

Total scope 2 emissions (tCO₂-e) – market based – factors

	FY20	FY19	FY18	FY17	FY16
Renewable Power Percentage %	0.19	0.19	0.16	0.14	0.13
National Emission Factor - Scope 2 (Market)	0.79	0.79	0.79	0.80	0.80
Estimated National RMF (kgCO ₂ e/kWh)	0.98	0.98	0.94	0.93	0.92

Total greenhouse gas emissions (tCO₂-e) – market based

	FY20	FY19	FY18	FY17	FY16
Stockland group total Scope 1	21,028	24,230	25,453	26,884	35,036
Stockland group total Scope 2	66,498	77,673	78,745	85,754	86,856
Stockland group total Scope 1+2 emissions	87,526	101,903	104,198	112,638	121,892

Emissions intensity

We track our emissions on an intensity basis as this helps represent the greenhouse gas emissions from our Commercial Property portfolio in a way that is isolated from the increases and decreases in emissions due to investments, divestments and vacancies. Intensity metrics are based on the standard measures of net lettable area (NLA) or gross lettable area (GLA) in square metres (where appropriate for each asset class). Emissions intensities only apply to stable operating assets such as the Commercial Property portfolio.

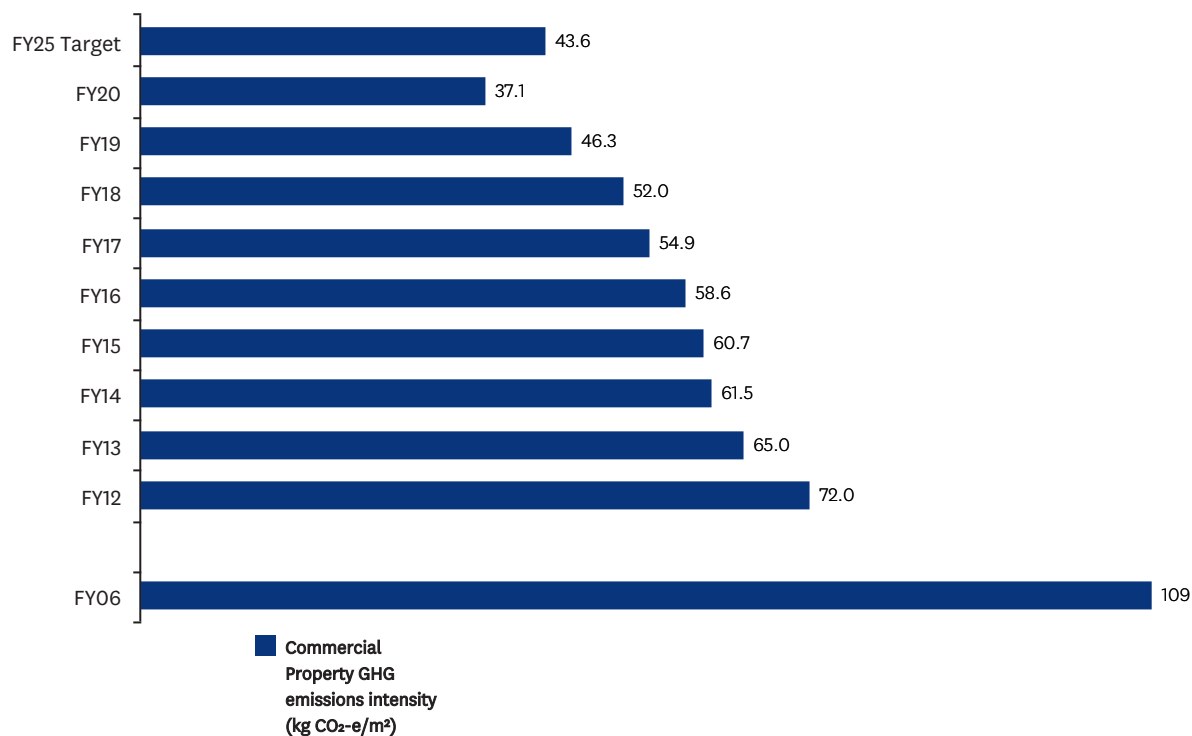
Greenhouse gas emissions intensity (kgCO₂-e/m²)

	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks base buildings	53.64	61.18	60.41	61.7	64.98
Floor area (NLA) of buildings in intensity metric (m ²)	266,128	290,083	310,586	313,830	320,943 ¹
% portfolio in intensity metric	100%	100%	100%	100%	100%
Retail Town Centres base buildings	32.66	42.25	49.54	52.92	56.58
Floor area (GLA) of buildings in intensity metric (m ²)	994,896	1,057,605	1,056,205	1,054,234	1,047,054
% portfolio in intensity metric	100%	100%	100%	100%	100%
Commercial Property²	37.09	46.32	52	54.93	58.55
Floor area of buildings in intensity metric (m ²)	1,260,794	1,347,716	1,366,882	1,368,011	1,366,279
% portfolio in intensity metric	100%	100%	100%	100%	100%

¹ Area-weighted intensity combination of Workplace and Business Parks assets.

² Combined Workplace, Business Parks, and Retail Town Centres.

Greenhouse gas emissions intensity (kgCO₂-e/m²)



Emissions intensity reductions

	Annual Intensity Change (%)				
	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks	-12.3%	1.0%	-2.0%	-5.0%	-4.0%
Retail Town Centres	-22.7%	-14.7%	-6.0%	-6.0%	-3.0%
Commercial Property	-19.9%	-10.9%	-5.0%	-6.0%	-4.0%

Other emissions

Stockland's emissions of ozone-depleting substances are minimal and not considered material for reporting.

NO_x and SO_x are material for property companies that operate key generation plants including trigeneration. Stockland has Scope 2 exposure to trigeneration, and is not in control of this plant, so we do not report emissions from generation, as per other energy generation.

Energy consumption

This section details the consumption of specific energy types across the three businesses and group operations. These are the sources of the greenhouse gas emissions reported under Scope 1 and 2.

Electricity

Purchased electricity (kWh)

	FY20	FY19	FY18	FY17	FY16
Corporate tenancies	1,384,698	1,669,975	1,665,878	1,648,037	1,556,157
Workplace and Business Parks base buildings	15,311,742	19,246,269	21,644,622	22,255,609	24,120,329
Logistics centres	1,499,476	2,186,021	5,189,496	5,129,175	1,577,286
Retail Town Centres	38,522,642	52,039,389	60,791,065	64,878,522	69,088,256
Residential sites	1,593,538	1,828,237	1,695,059	1,729,655	1,824,740
Residential contractors	96,427	42,228	102,385	180,211	331,110
Retirement living communities	6,924,014	7,020,219	7,887,931	8,876,288	7,859,963
Retirement living contractors	0	0	0 ¹	7,438	6,962
Total	65,332,536	84,032,338	98,976,436	104,704,935	106,364,803

¹ No development works in our Retirement Living business were considered to be within our operational control boundary from FY18.

Purchased electricity intensity (kWh/m²)

	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks base buildings	62.62	70.91	69.68	70.96	75.77
Floor area (NLA) of buildings in intensity metric (m ²) ¹	265,681	289,996	310,658	313,700	320,097
% of portfolio covered in intensity metric	100%	100%	100%	100%	100%
Retail Town Centres	38.75	49.15	57.32	61.79	65.98
Floor area (GLA) of buildings in intensity metric (m ²)	994,532	1,057,562	1,056,145	1,050,411	1,047,054
% of portfolio covered in intensity metric	100%	100%	100%	100%	100%
Commercial Property²	43.78	53.83	60.13	63.89	68.26
Floor area of buildings in intensity metric (m ²)	1,260,011	1,347,613	1,366,791	1,364,156	1,365,954
% of portfolio covered in intensity metric	100%	100%	100%	100%	100%

¹ NLA – Net Lettable Area; GLA – Gross Lettable Area.

² Area weighted intensity combination of Workplace, Business Parks, and Retail Town Centre assets

Purchased electricity intensity reductions

	Annual Intensity Change (%)				
	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks	-12%	2%	-2%	-6%	-3%
Retail Town Centres	-21%	-14%	-7%	-6%	0%
Commercial Property¹	-19%	-10%	-6%	-6%	-2%

¹ Area-weighted intensity combination of Workplace, Business Parks, and Retail Town Centre assets.

Renewables generation – Retail

	FY20	FY19	FY18	FY17	FY16
Solar generation (kWh)	22,246,182	12,958,224	3,274,463	2,387,168	1,940,689
Per cent of Retail Town Centre portfolio electricity usage	36.6%	19.9	5.1	3.6	2.8
Solar capacity installed (at period end) (kW)	16,781	16,400	4,360	2,260	1,360

Renewables generation – Logistics

	FY20	FY19	FY18	FY17	FY16
Solar generation (kWh) ¹	60,114	-	-	-	-
Per cent of Logistics portfolio electricity usage	3.9%	-	-	-	-
Solar capacity installed (at period end) (kW)	770	-	-	-	-

¹ Figures relate to total electricity generation from photovoltaic power within financial year.

Fuels

Gas consumption (MJ)

	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks base buildings	22,876,338	23,893,430	22,503,346	19,605,661	20,949,926
Logistics centres	0	0	0	0	0
Retail Town Centres	24,620,332	28,656,262	28,850,605	28,164,870 ¹	7,726,710
Residential sites	170,631	194,936	184,905	231,633	196,216
Residential contractors	4	0	0	0	0
Retirement living communities ²	12,001,402	13,291,200	15,137,631	14,448,049 ³	9,451,522
Retirement living contractors	0	0	0	0	0
Total	59,668,708	66,035,828	66,676,487	62,450,213	38,324,374

¹ Increase due to additional meters being found during embedded network assurance exercise.

² FY19 onwards includes fuel (LPG), whereas previous years only consumed gas.

³ Increase in retirement living village gas consumption primarily associated with villages transitioning from externally managed to internally managed and villages under development transitioning to operational facilities.

Fuel consumption¹

	FY20 ¹	FY19	FY18	FY17	FY16
Diesel (L)	5,524,236	7,119,975	6,770,937	7,356,552	10,344,491
Bio diesel (L)	0	0	2,395	2,070	525,463
Petrol (L)	90,492	102,157	133,092	129,554	169,636
Ethanol (L)	2,198	7,789	8,636	8,451	4,689
LPG (L)	297	642	1,375	246	556
Oil (L)	17,470	25,938	37,291	42,802	71,973
Grease (kg)	13,057	16,350	17,386	32,592	66,070

¹ Comprises corporate fleet fuel, and residential and retirement living developments contractor fuel consumption (where in Stockland operational control).

¹ Comprises corporate fleet fuel, and residential and retirement living developments contractor fuel consumption (where in Stockland operational control).

Biodiversity

Biodiversity data presented in this section is to be read in conjunction with our **Biodiversity Deep Dive** available on our [website](#).

Biodiversity impact and management

	FY20	FY19	FY18	FY17	FY16
Portfolio					
Total projects with masterplan approval ¹	31	29	30	36	31
Total land area (ha)	9,617	8,751	9,088	10,312	8,637
Biodiversity impact					
Total projects with areas of significant biodiversity value ²	23	20	20	25	25
Total land area of significant biodiversity value (ha)	1,769	1,525	1,410	1,972	1,332
Total land area of significant biodiversity value to be cleared (ha)	848	749	576	587	425
Total land area to be conserved for biodiversity, including onsite and offsite (ha)	2,735	2,410	2,202	1,972	1,750
Biodiversity management					
Total projects with areas of significant biodiversity value that have a biodiversity management plan	83%	80%	85%	48%	58%
Total land area to be regenerated, revegetated, restored or rehabilitated on ground or through offsets (ha)	2,190	1,998	1,671	1,567	1,641
Total projects working with community and non-governmental organisations	2	2	3	3	6

¹ Our biodiversity results are representative of our residential projects that have received masterplan approval and/or were active developments as at 30 June 2020.

² As defined by the relevant state or federal legislation. All of our projects that with significant biodiversity on site are required to develop a biodiversity management plan (see Biodiversity Deep Dive).

Projects with areas of significant biodiversity value

The below table shows residential communities projects with areas of significant biodiversity value that have an approved masterplan. The change in biodiversity value refers to projects that have been assessed under our biodiversity calculator since it was developed in FY15.

FY20					
Region	Development	Location	Total land (ha)	Total Biodiversity Area Approx (ha) ¹	Change in Biodiversity Index ²
Victoria	Cloverton	Kalkallo	1141	300	18.05
	Edgebrook	Clyde	65.118	1	8.62
	Grandview	Truganina	120	120	
	Highlands	Craigieburn	978.4	43.9	
	Minta	Berwick	116.44	9.94	3.47
	Mt Atkinson	Truganina	319.4	38.66	4.11
Western Australia	Amberton	Eglington	198	20	
	Calleya	Banjup	145	12.2	3.2
	Sienna Wood	Perth	330	7.4	
	Sinagra	Perth	40.5	14.5	
	Vale (WA)	Aveley	541	50	
New South Wales	Altrove	Sydney	50	1	2.7
	West Dapto 2	West Dapto	113	31.79	39.45
	The Gables	Box Hill	380	26.7	
	Willowdale	Leppington	350	100	
Queensland	Augustine Heights	Augustine Heights	183	47	
	Aura	Caloundra	1595	300	
	Foreshore	Coomera	116	51	7.02
	Kalina	Springfield	38	38	
	North Shore	Burdell	1031	275	
	Pallara	Brisbane	122.462	32	27.59
	Paradise Waters	Deeping Heights	338	249	31.53

¹ Total land area of significant biodiversity value is measured before development in our annual CCAP project survey.

² A change in Biodiversity Index result is available for projects that achieved masterplan approval following the introduction of our calculator in 2016 and where approval is granted for delivery of over 500 lots.

Water management and quality

Water data in this section is to be read in conjunction with our **Water Management and Quality Deep Dive** available on our website.

Boundary and methodology

We report our water consumption according to our operational control boundary under the NGER Act. Communities water consumption results are provided by collecting and collating water use from invoices. Where invoices are unavailable or extend across financial years, estimates are provided for relevant periods. Water consumption by contractors operating on our development sites is compiled using invoice data and estimates, supplied by contractors through monthly health, safety and environment reports. These figures are based on a combination of contractor estimates and invoice data. Reported non-potable consumption includes rainwater tanks and bore water.

Water consumption

Communities water consumption (kL)

Communities water data varies from year to year due to activities such as filling lakes in large developments and location specific variables such as natural rainfall, project life cycles, market conditions, site management techniques and local landscaping requirements set by councils.

	FY20	FY19	FY18	FY17	FY16
Residential sites	260,614	217,578	620,654	546,670	600,623
Retirement living communities	1,679,904	1,757,203	1,683,353	1,463,459 ¹	58,158
Contractors – Residential ²	494,832	451,937	392,940	577,592 ³	1,948,614
Contractors – Retirement Living	0	-	- ⁴	573 ⁵	8,985
Total	2,435,350	2,426,718	2,696,947	2,588,294	2,616,380

¹ A combination of more operational sites and increased data capture in FY17 has translated to an increase in comparison to previous years for Retirement Living.

² Residential contractor water data varies from year to year due to activities such as dust suppression, to abnormal usage (filling lakes) in large developments and location specific variables such as natural rainfall, project life cycles, market conditions, site management techniques and local landscaping requirements set by councils. Furthermore, contractors self-report water data, which means we do not review each contractor's data collection processes.

³ Large civil works in FY16 for master planned communities have reduced in FY17 across developments such as Aura (Qld), Cloverton (Vic) and Calleya (WA).

⁴ No development works in our Retirement Living business were considered to be within our operational control boundary from FY18.

⁵ Decrease in Retirement Living contractor consumption due to management of site and reporting by principal contractor.

Communities water consumption – potable and non potable (kL)

	Potable				
	FY20	FY19	FY18	FY17	FY16
Residential sites	50,262	71,092	149,872	173,841	171,830
Retirement living communities	1,679,904	1,757,203	1,683,353	1,463,459	58,158
Contractors – residential	248,369	184,275	113,264	232,585	829,592
Contractors – retirement living	0	-	0	327	8,682
Total	1,978,535	2,012,570	1,946,489	1,870,212	1,068,262

Non-potable

	FY20	FY19	FY18	FY17	FY16
Residential sites	210,352	146,486	470,782	372,829	428,793
Retirement living communities	0	-	0	0	0
Contractors – residential	246,463	267,661	279,675	345,007	1,119,022
Contractors – retirement living	0	-	-	246	303
Total	456,815	414,147	750,457	718,082	1,548,118

Commercial property water consumption (kL)

	FY20	FY19	FY18	FY17	FY16
Workplace and Logistics	197,146	209,924	236,906	228,108	220,704
Retail Town Centres	961,482	1,101,228	1,097,238	1,112,672	1,153,565
Total Commercial Property¹	1,158,629	1,311,152	1,334,144	1,340,780	1,374,269

¹ Consumption Intensity data calculated based on Workplace and Business Parks, and Retail Town Centre consumption figures only. Does not include Logistics.

Water consumption intensity

Intensity figures in Commercial Property are derived from the total water consumption for each asset class over the year divided by the total floor area. Retail Town Centre and Workplace assets without a full 12 months of data include estimates for the missing months.

Commercial property water consumption intensity (kL/m²)

	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks	0.55	0.62	0.67	0.64	0.65
Retail Town Centres	0.97	1.05	1.04	1.09	1.11
Total Commercial Property	0.88	0.96	1	1	1

Commercial property water consumption intensity reductions

Annual Intensity Change (%)

	FY20	FY19	FY18	FY17	FY16
Workplace and Business Parks	-11%	-7%	5%	-5%	12%
Retail Town Centres	-8%	1%	-5%	-2%	0%
Total Commercial Property	-8%	0%	1%	-5%	4%

Waste

Waste data in this section is to be read in conjunction with the **Waste and Materials Deep Dive** available on our website.

Boundary

We report against the same NGER Act operational control boundary that we use for energy and water. We report on all properties within this boundary, with the exception of some properties where our tenants run their own waste contracts. We also report on a small number of additional properties that fall out of our NGER Act boundary, but where we manage the waste contract for service provision purposes. Data provided by waste contractors is based on estimates (bin volumes converted to tonnes rather than weighed).

Operational waste

Operational waste (tonnes)

	Retail Town Centres					Workplace and Business Parks				
	FY20	FY19	FY18	FY17 ¹	FY16	FY20	FY19	FY18	FY17 ¹	FY16
Total waste	14,367	17,265	17,577	17,351	17,895	531	1,007	1043	1,193	1,182
Total waste to landfill	9,212	10,768	11,730	11,969	10,858	339	712	661	739	680
Total waste recycled	5,155	6,497	5,846	5,382	7,038	192	295	383	454	502
Diversion from landfill (%)	36%	38	33	31	39	36%	29	37	38	42
% portfolio reporting	97	97	97	95	95	70	85	85	85	100

¹ FY17 data restated due to contractor reporting error.

Development waste

Commercial Property

Our Commercial Property development construction waste is calculated based on the total number of projects for which we are the developer. Active waste is tracked through the builders, as for these sites the principal contractor has active control.

The data reported relates to our Retail Town Centre developments as there have been no significant Workplace developments since FY12.

Retail town centres development waste (tonnes)

	FY18-FY20	FY20	FY19	FY18	FY17	FY16
Total waste	5,284	35	878	4,371	1,396	3,253
Waste recycled	4,768	29	829	3,910	678	2,684
Waste to landfill	152	6	50	461	718	569
Diversion from landfill	90%	83%	94%	89%	49%	83%
Developments included (% by project value)	100%	100%	100%	100%	96%	100%

Communities

All Communities waste data was provided by contractors operating on our development sites during the reporting period. Data is estimated by contractors and is collected from monthly health, safety and environment reports submitted to us by our contractors for all developments within our operational control.

Communities contractor waste (tonnes)

	FY20	FY19	FY18	FY17	FY16
Total waste	49,567	41,093	19,625	41,237	35,424
Waste diverted from landfill	48,633	40,430	18,441	39,923	33,881
Waste sent to landfill	934	663	1,184	1,314	1,542
Diversion from landfill	98%	98%	94%	97%	96%

Asset ratings and certifications

The tables below list ratings and certifications achieved across our portfolio, focusing on Green Star and NABERS rating tools. Information on achievements specific to FY20 are provided in our [Carbon and Energy Deep Dive](#). Information on our use of ratings and certifications across our portfolio is provided in [Our Management Approach to Asset Rating and Certification](#).

Green Star Performance

Green Star Performance is a voluntary certification that rates building performance in operation.

Green Star Performance, Retail Town Centres

Building name	Potable Water (kL/m ² /annum)	GHG emissions (kg/CO ₂ -e/ annum/m ²)	Points awarded	Rating
StocklandGlendale (NSW)	0.89	14	40	3 Star
Stockland Baulkham Hills (NSW)	1.41	62	33.5	3 Star
StocklandForster (NSW)	0.6	9	44.5	3 Star
StocklandNowra (NSW)	0.51	35	40.5	3 Star
StocklandRockhampton (Qld)	1.62	109	30	3 Star
StocklandCaloundra (Qld)	0.53	45	38.5	3 Star
Stockland Green Hills (NSW)	0	0	24	2 Star
StocklandShellharbour (NSW)	1.73	68	34	3 Star
StocklandTownsville (Qld)	1.26	112	36.5	3 Star
StocklandGladstone (Qld)	1.1	33	34.5	3 Star
StocklandCairns (Qld)	1.25	90	39.5	3 Star
Stockland Burleigh Heads (Qld)	0.58	74	37	3 Star
StocklandBundaberg (Qld)	0.94	69	35	3 Star
Stockland Bull Creek (WA)	0	25	32	3 Star
StocklandRiverton (WA)	0.98	35	34	3 Star
Stockland Hervey Bay (Qld)	0.69	73	39.5	3 Star
Stockland Point Cook (Vic)	0.79	103	31.5	3 Star
StocklandTraralgon (Vic)	0.58	64	38	3 Star
Stockland The Pines (Vic)	1.01	91	28	2 Star
StocklandWendouree (Vic)	0.64	45	37.5	3 Star
Stockland Merrylands	1.42	89	32	3 Star
Stockland Wetherill Park	-	93	32.5	3 Star
Stockland Baldivis	1.42	68	26	2 Star

Green Star Performance, Workplace and Business Parks

Building name	Potable Water (kL/m ² /annum)	GHG emissions (kg/CO ₂ -e/ annum/m ²)	Points awarded	Rating
110 Walker Street (NSW)	0.872	63	31.5	3 Star
16 Giffnock Avenue (NSW)	0.695	90	28.5	2 Star
2 Victoria Ave (WA)	-	-	18	1 Star
601 Pacific Highway (NSW)	0.682	67	31.5	3 Star
66 Waterloo Road (NSW)	0.469	54	34	3 Star
Durack Centre (WA)	-	62	23	2 Star
Macquarie Technology Centre (NSW)	3.073	155	17	1 Star
Optus Centre (NSW)	0.72	84	31.5	3 Star
Satellite Corporate Centre 350 Wellington Road (Vic)	1.04	122	21	2 Star
Satellite Corporate Centre 352 Wellington Road (Vic)	0.546	140	23.5	2 Star
Satellite Corporate Centre 690 Springvale Road (Vic)	0.726	357	15	1 Star
Triniti Business Campus Building T1 (NSW)	0.805	72	37	3 Star
Triniti Business Campus Building T2 (NSW)	0.805	83	36	3 Star
Triniti Business Campus Building T3 (NSW)	0.805	63	38	3 Star
133 Castlereagh Street (NSW)			31	3 Star
222 Pitt Street (NSW)			33.5	3 Star

Green Star Built Form rating tools

Our Green Star ratings achieved using built form rating tools including Green Star Design & As Built, Green Star Communities, and Green Star Interiors, are provided in the table below.

Asset type	Asset	Design rating (star)	As Built rating (star)	Green Star Tool
Retail Town Centre	Stockland North Shore (Qld)	4	4	Retail Centre v1
	Stockland Townsville (Qld)	4	4	Retail Centre v1
	Stockland Merrylands (Stages 3 & 4) (NSW)	4	–	Retail Centre v1
	Stockland Shellharbour (NSW)	4	4	Retail Centre v1
	Stockland Hervey Bay (Qld)	4	4	Retail Centre v1
	Stockland Baldivis (WA)	4	4	Retail Centre v1
	Stockland Wetherill Park (NSW)	5	5	Retail Centre v1
	Stockland Harrisdale (WA)	4	4	Retail Centre v1
	Stockland Green Hills (NSW)	5	5	Retail Centre v1
	Stockland Birtinya (QLD)	–	5	Design & As Built v1.1
Workplace	Triniti, Building A, 39 Delhi Road, North Ryde, NSW	–	5	Office v2
	Triniti, Building B, 39 Delhi Road, North Ryde, NSW	–	5	Office v2
	Triniti, Building C, 39 Delhi Road, North Ryde, NSW	–	5	Office v2
	2 Victoria Avenue, Perth, WA	6	5	Office v2
	Brisbane Head Office, Level 4, 99 Melbourne Street, Brisbane, QLD	–	6	Interiors v1.1
	Sydney Head Office, L22-29, 133 Castlereagh Street, Sydney, NSW	–	6	Interiors v1.1
Communities (Residential)	Aura (formerly Caloundra South) (Qld)	6		Communities Pilot
	Altrove (NSW)	5		Communities
	Willowdale (NSW)	6		Communities
	Cloverton (Vic)	6		Communities
	Calleya (WA)	6		Communities
	Newport (Qld)	5		Communities
	Waterlea (formerly Stamford Park)(Vic)	6		Communities
Communities (Retirement Living)	Affinity Clubhouse at Affinity Retirement Village, Baldivis (WA)	5	5	Public Building Pilot
	Newport Retirement Living Village (Qld)	4	4	Design and As Built v1.1
	Shine Birtinya Retirement Living Village (QLD)		4	Design and As Built v1.1
	Selandra Rise Retirement Village (Vic)	4	–	Custom
	Mernda Retirement Village (Vic)	4	–	Custom
	Willowdale Retirement Village (NSW)	4	–	Custom

NABERS

We undertake NABERS Energy and NABERS Water ratings on the base building across Retail Town Centre, Workplace and Business Parks assets. NABERS ratings are completed on a calendar year basis.

NABERS Ratings – Retail town centres

	NABERS Energy Rating					NABERS Water Rating				
	2019 ¹	2018	2017	2016	2015	2019 ¹	2018	2017	2016	2015
Stockland Cairns (Qld)	5.5	4.5	4.5	5.0	4.0	4.0	4.0	4.0	NA	4.0
Stockland Townsville (Qld)	4.5	4.5	4.5	4.0	3.5	4.0	3.5	4.0	4.0	4.0
Stockland Rockhampton (Qld)	4.0	4.0	3.5	3.0	3.5	2.5	3.0	2.5	2.5	2.5
Stockland Gladstone (Qld)	5.5	5.0	5.5	5.5	4.5	4.5	4.5	NA	NA	3.0
Stockland Bundaberg (Qld)	6.0	4.5	4.0	4.5	5.0	3.5	3.5	4.0	4.5	4.0
Stockland Caloundra (Qld)	5.5	5.0	4.5	4.5	4.5	5.0	5.0	5.0	5.0	5.0
Stockland Hervey Bay (Qld)	6.0	5.0	4.5	5.0	4.5	4.0	5.0	5.0	4.0	4.5
Stockland Burleigh Heads (Qld)	5.0	4.0	4.0	3.5	3.5	5.0	4.5	4.5	4.5	5.0
Stockland Forster (NSW)	6.0	6.0	6.0	6.0	6.0	4.5	4.5	4.5	4.5	4.5
Stockland Green Hills (NSW)	5.0	NA	NA	NA	3.5	3.0	NA	NA	NA	3.0
Stockland Glendale (NSW)	6.0	6.0	6.0	6.0	6.0	4.0	4.0	3.5	3.5	3.5
Stockland Baulkham Hills (NSW)	4.5	4.5	4.5	4.0	4.0	2.0	2.0	2.0	1.0	0.0
Stockland Wetherill Park (NSW)	4.0	3.0	3.0	2.5	NA	2.0	2.5	3.0	NA	NA
Stockland Shellharbour (NSW)	5.0	5.0	5.0	4.0	4.5	2.5	2.5	1.0	1.5	1.5
Stockland Nowra (NSW)	4.5	4.5	4.5	4.5	4.5	4.5	5.0	4.5	4.5	4.5
Stockland Traralgon (Vic)	5.0	4.0	4.0	4.0	4.0	4.5	5.0	4.5	4.0	4.0
Stockland Wendouree (Vic)	5.0	4.5	4.5	4.0	4.0	4.0	4.5	4.5	4.5	4.5
Stockland Bull Creek (WA)	4.5	4.5	4.5	4.5	4.0	2.0	1.0	NA	NA	NA
Stockland Riverton (WA)	4.0	4.5	4.5	4.5	4.5	2.0	2.5	2.0	1.5	NA
Stockland The Pines (Vic)	4.0	2.0	2.0	2.0	2.5	3.5	3.0	3.0	3.0	3.0
Stockland Point Cook (Vic)	4.5	3.0	2.5	1.5	2.5	4.5	4.5	4.0	4.0	4.0
Stockland Merrylands (NSW)	4.5	4.0	4.0	NA	NA	2.5	2.5	2.0	NA	NA
Stockland Baldivis (WA)	3.0	3.0	2.5	2.0	NA	3.0	1.0	2.0	NA	NA
Stockland Balgowlah (NSW)	1.5	NA	NA	NA	NA	2.0	NA	NA	NA	NA
Stockland Harrisdale (WA)	0.0	NA	NA	NA	NA	1.0	NA	NA	NA	NA
Stockland Birtinya (QLD)	6.0	NA	NA	NA	NA	3.5	NA	NA	NA	NA
NABERS Retail Portfolio Average	4.7	4.3	4.1	3.9	4.1	3.4	3.4	3.1	3.2	2.8
NABERS Retail Portfolio Average (By % ownership)	4.7	4.3					3.4			

1 2019 NABERS data relates to the 2020 NABERS rating period.

NABERS Ratings – Workplace and Business Parks

	NABERS Energy Rating					NABERS Water Rating				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
Workplace										
Piccadilly Tower, 133 Castlereagh St, Sydney	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.5	4.5
Piccadilly Court, 222 Pitt St, Sydney	4.5	5.0	5.0	5.0	5.0	4.0	3.5	4.0	4.0	4.0
110 Walker St, North Sydney	5.0	5.0	5.0	5.0	4.5	3.0	3.5	3.0	3.0	3.5
601 Pacific Hwy, St Leonards	5.0	5.0	5.0	5.0	5.0	3.5	3.0	3.0	4.0	4.0
Durack Centre, 263 Adelaide Terrace, Perth	4.5	4.5	4.5	4.5	5.0	NA	4.5	NA	NA	3.5
2 Victoria Avenue, Perth	4.0	4.0	0.0	NA	5.0	NA	3.5	0.0	NA	4.0
NABERS Workplace Portfolio Average	4.7	4.6	4.5	4.6	4.5	3.8	3.6	3.5	3.9	3.7
NABERS Workplace Portfolio Average (By % ownership)	4.7	4.6				3.7	3.6			
Business Parks										
Optus Centre, 1 Lyon Park Road, North Ryde	5.0 ¹	4.5	4.5	5.0	5.0	NA	NA ²	4.0	3.5	3.5
Triniti, Building A, 39 Delhi Road, North Ryde ³		5.0	4.5	4.5	5.0		4.0	3.5	3.5	5.0
Triniti, Building B, 39 Delhi Road, North Ryde	5.5	5.0	4.5	4.5	5.0	3.5	4.0	3.5	3.5	4.0
Triniti, Building C, 39 Delhi Road, North Ryde		5.0	5.0	5.0	5.0		4.0	3.5	3.5	3.5
66 Waterloo Road, North Ryde	5.5	5.5	5.5	5.0	5.0	4.5	4.0	4.0	4.5	4.5
16 Giffnock Ave, North Ryde	4.5	4.0	4.0	4.0	3.5	3.5	3.5	3.5	3.5	3.5
11-17 Khartoum Road, North Ryde	NA	3.0	2.0	2.0	4.0	NA	0.0	0.0	0.0	NA
350 Wellington Rd, Mulgrave	NA	2.0	3.0	NA	3.0	NA	0.0	0.0	NA	NA
352 Wellington Rd, Mulgrave	3.0	3.0	3.0	3.0	3.5	4.5	3.5	3.5	3.5	NA
690 Springvale Rd, Mulgrave	3.0	2.5	2.0	NA	1.5	3.5	4.0	2.5	NA	NA
NABERS Business Parks Portfolio Average	4.8	4.3	4.2	4.7	4.9	3.7	3.2	3.5	3.4	3.6
NABERS Business Parks Portfolio Average (By % ownership)	4.7	4.3				3.7	3.2			
NABERS Workplace and Business Parks Combined Portfolio Average	4.8	4.4	4.3	4.7	4.7	3.7	3.4	3.5	3.6	3.6
NABERS Workplace and Business Parks Combined Portfolio Average (By % ownership)	4.7	4.4				3.7	3.4			

¹ The NABERS Energy rating for Optus Centre is undergoing a Level 2 audit and is not yet certified (as at Aug 2021).

² No water rating possible for Optus due to issues with water utility data

³ The energy and water ratings for Triniti (NSW) are both single ratings for the whole campus.

NABERS Ratings – Stockland Corporate Office

We are a CitySwitch signatory for our corporate offices in Sydney, Melbourne and Perth. We complete a NABERS Tenancy rating each calendar year for our corporate offices, as outlined below.

	Tenancy Rating				
	2019	2018	2017	2016	2015
Sydney Head Office, L22-29, 133 Castlereagh Street	5.0 ¹	4.0	4.0	4.0	4.5
Melbourne Head Office, L7, 452 Flinders Street	NA	4.0	3.5	3.5	3.5
Perth Head Office, L12, 263 Adelaide Terrace	5.0	4.5	3.5	3.5	3.5
Brisbane Head Office, L4, 99 Melbourne Street	4.5	4.5	4.5	NA	NA

¹ The NABERS Energy rating for the Stockland Sydney Head Office is undergoing a Level 2 audit and is not yet certified (as at Aug 2021).

Climate resilience

The tables below summarise the individual climate resilience scores for our retail town centres, residential communities and retirement living communities. In FY20 we have migrated to a new climate resilience assessment tool which has a different scoring methodology. All previously reported scores have been re-scored to align with the new methodology to allow for comparative benchmarking against more recent assessments using the new tool.

Resilience scores range from 1 to 4 (outstanding resilience), 4 to 9 (high resilience), 9 to 16 (moderate resilience) and 16 to 25 (high vulnerability). **Our Management Approach to Climate Resilience** provides more detail on our climate resilience assessment methods.

Climate resilience scores by asset

Location	Year Assessed	Climate Resilience Rating
Commercial Property		
Hendra Distribution Centre, Brisbane	2019	8.07
32 Toll Drive, Altona	2018	8.86
Yennora Distribution Centre, Yennora	2018	6.95
601 Pacific Highway, St Leonards	2018	5.11
Durack Centre & 2 Victoria Avenue, Perth	2011	8.24
Triniti Business Park	2018	7.91
Stockland Baldivis	2020	6.02
Stockland Bull Creek	2013	7.97
Stockland Bundaberg	2015	8.81
Stockland Burleigh Heads	2019	8.13
Stockland Cairns	2017	9.35
Stockland Caloundra	2018	7.59
Stockland Forster	2015	7.03
Stockland Gladstone	2017	8.28
Stockland Green Hills	2012	7.81
Stockland Hervey Bay	2017	8.94
Stockland North Shore	2017	8.12
Stockland Nowra	2016	6.32
Stockland Point Cook	2012	7.93
Stockland Riverton	2020	6.05
Stockland Rockhampton	2013	9.16
Stockland Shellharbour	2019	7.24
Stockland Townsville & K Mart	2018	8.52
Stockland Traralgon	2014	7.89
Stockland Wendouree	2013	7.21
Stockland Wetherill Park	2012	8.22
Commercial Property Average (Climate Resilience)		7.76
Portfolio coverage (Logistics)		14%
Portfolio coverage (Business Parks)		17%
Portfolio coverage (Workplace)		50%
Portfolio coverage (Retail)		68%
Portfolio coverage (Total)		44%

Location	Year Assessed	Climate Resilience Rating
Communities (Residential)		
Altona North	2018	9.77
Altrove	2018	11.13
Braybrook	2018	9.55
Calleya	2017	9.39
Aura	2016	8.55
Cloverton	2016	9.9
Clyde North	2018	10.74
Glendalough	2018	5.45
Hope Island	2019	4.6
Illawarra	2019	7.09
Kalina Springfield (formerly Springview Estate)	2018	6.74
Minta Farm	2019	6.04
Mt Atkinson / Grandview	2018	9.14
Newport (Stage 1)	2016	9.28
Newport (Stage 2)	2018	9.21
North Shore	2017	7.93
Oceanside	2017	8.28
Pallara	2017	9.44
Paradise Waters	2018	6.83
Red Hill	2018	5.35
Rothwell Promenade	2019	7.09
Sienna Wood (Formerly Wungong)	2017	11.45
Stamford Park	2016	9.03
Wellard Farms	2019	7.75
West Dapto 2	2019	6.83
Willowdale	2016	9.09
Communities (Residential) Average		7.99

Location	Year Assessed	Climate Resilience Rating
Communities (Retirement Living)		
Bellevue Gardens	2018	10.47
Calleya	2017	8.25
Cardinal Freeman	2017	7.11
Farrington Grove	2017	5.58
Foreshore (Riverstone)	2017	10.93
Gillin Park	2017	9.38
Golden Ponds Resort	2018	10.02
Hillsview	2018	8.39
Maybrook	2016	8.78
Oak Grange	2017	9.18
Oceanside	2017	8.3
Patterson Lakes	2016	9.84
Pine Lake	2020	7.04
The Cove	2016	13.34
The Pines	2017	9.14
The Village Swansea	2017	7.76
Toowong	2017	7.96
Walnut Grove	2016	9.54
Wamberal Gardens	2018	9.54
Willowdale	2017	8.87
Communities (Retirement Living) Average		8.97
Portfolio coverage (Retirement Living)		32%

People Data Pack

Background notes

We report our people data holistically, given our consistent approach to managing our people across our business units. All of our operations are based in Australia.

Percentage figures provided in this data pack may not sum to exactly 100 per cent because of rounding.

Our Workforce

Workforce by employment status

Status	FY20	FY19	FY18	FY17	FY16	FY15
Full Time	1,260	1,278	1,301	1,192	1,135	1,121
• Permanent ¹	1,183	1,191	1,219	1,122	1,073	1,058
• Fixed Term ²	288	87	82	70	62	63
Part Time	307	313	333	331	308	295
• Permanent	288	297	314	316	298	282
• Fixed Term	19	16	19	15	10	13
Casual ³	44	47	56	55	55	46
Total Headcount ⁴	1,611	1,638	1,690	1,578	1,498	1,462
FTE⁵	1,449	1,463	1,561	1,472	1,386	1,345

1 Permanent employees are employed by Stockland on a full time (38 hours per week) or part time basis (less than 38 hours per week).

2 Fixed term employees are employed by Stockland for a fixed term (their employment has an agreed end date).

3 Casual employees are paid on an hourly basis.

4 Total headcount includes permanent employees, fixed term employees and casual employees. It excludes Board members, temps, special contractors, vendors.

5 FTE (Full Time Equivalent) adjusts headcount for hours worked. It is calculated by dividing an employee's working hours by the standard full time working hours (38). The FTE measure excludes casual employees.

Workforce by region

State/Territory	FY20	FY19	FY18	FY17	FY16	FY15
New South Wales	873	886	921	843	821	826
Queensland	290	301	323	307	275	283
Victoria	280	281	279	264	240	229
Western Australia	91	95	95	94	97	98
South Australia	72	70	67	66	62 ¹	22
Australian Capital Territory	5	5	5	4	3	4
Total	1,611	1,638	1,690	1,578	1,498	1,462

¹ Stockland acquired eight retirement living villages in South Australia in July 2016.

Workforce by gender

Employment status	FY20				TOTAL
	FEMALE	FEMALE %	MALE	MALE %	
Full Time Permanent	608	51%	575	49%	1,183
Part Time Permanent	248	86%	40	14%	288
Fixed Term	54	56%	42	44%	96
Casual	36	82%	8	18%	44
Total	946	59%	665	41%	1,611

Workforce by age category

Age	FY20			
	FEMALE	MALE	TOTAL	TOTAL %
<25	59	32	91	6%
25 - <35	276	167	443	27%
35 - <45	273	189	462	29%
45 - <55	197	143	340	21%
55 - <65	113	113	226	14%
>65	28	21	49	3%
Total	946	665	1,611	100%

Our governance bodies are outlined in [Our Management Approach to Governance and Risk](#), however we do not provide a breakdown of our governance bodies by age or minority group.

Median age of workforce

Year	Median age
FY20	40
FY19	40
FY18	40
FY17	39
FY16	39

Remuneration

The remuneration ratio for our highest paid employee to median employee salary is provided in the table below. Our Remuneration Report is contained within the Annual Report. We do not report on the ratio of standard entry level wage compared to minimum wage. Our operations are based in Australia and all employees are paid above the Australian minimum wage. For those employees with a relevant Award, we review their remuneration on an annual basis to provide for remuneration above the minimum rate in their Award.

Remuneration ratio – Managing Director/Employee

Remuneration measure ¹	Ratio				
	FY19 ²	FY18	FY17	FY16	FY15
Managing Director's annual total compensation ÷ employee median annual total compensation	40	39	46	48	44
% increase in Managing Director's annual total compensation ÷ employee's median % increase	-4.63	-5.38	1.08	-0.26	1.5

¹ Annual total compensation for each year is calculated as Fixed Pay FTE (as at 30 June of end of performance year) + STI FTE (awarded for relevant performance year) + LTI (allocated at start of performance year), for employees who participated in the Remuneration Review plus sales employees paid on a commission basis.

² The FY20 remuneration measure of Manager Director annual total compensation to employee median annual total compensation was not available at time of publication, thus will be published in a subsequent release of the People Data Pack

Employee Engagement

We measure employee engagement annually through the Our Voice employee survey, independently administered by survey provider Willis Towers Watson. Selected survey results are provided in the table below, followed by metrics on absenteeism, new hires, turnover, and parental leave.

Our Voice employee engagement survey

Survey question/Metric	FY20	FY19	FY18	FY17
Employee engagement				
	82 per cent			
Employee engagement score	4 points above Australian National Norm	81 per cent	83 per cent	82 per cent
	97 per cent			
Employees indicating they fully support the values for which Stockland stands	6 points above Australian National Norm	96 per cent	96 per cent	96 per cent
	89 per cent			
Employees who believe strongly in the goals and objectives of Stockland	3 points above Australian National Norm	92 per cent	92 per cent	91 per cent
	93 per cent			
Employees willing to work beyond what is required to help Stockland succeed	1 point above Australian National Norm	93 per cent	95 per cent	95 per cent
Corporate responsibility and sustainability				
Corporate responsibility and sustainability score	82 per cent	87 per cent	89 per cent	88 per cent
Employees who believe that we do a good job integrating sustainability into our projects and activities	82 per cent	86 per cent	88 per cent	86 per cent
Employees who believe that we do a good job integrating sustainability into our products and services	83 per cent	84 per cent	86 per cent	84 per cent
Diversity and Inclusion				
	86 per cent			
Diversity and Inclusion score	5 points above Australian National Norm	86 per cent	87 per cent	87 per cent
	89 per cent			
Employees considering that Stockland supports equal opportunity for all employees.	18 points above Australian National Norm	86 per cent	86 per cent	86 per cent
Employees considering men and women have the same opportunities to advance	72 per cent	75 per cent	81 per cent	83 per cent
Employees considering the working environment to be accepting of disabilities or psychological/physical impairment	83 per cent	87 per cent	87 per cent	86 per cent
	94 per cent			
Employees who believe Stockland is accepting of varied cultural background or lifestyles	3 points above Australian National Norm	95 per cent	94 per cent	93 per cent

Survey question/Metric	FY20	FY19	FY18	FY17
Health and safety				
	93 per cent			
Health and safety score	6 points above Australian National Norm	93 per cent	93 per cent	92 per cent
	96 per cent			
Employees indicating their work area is a safe place to work	4 points above Australian National Norm	95 per cent	96 per cent	96 per cent
Employees believing we provide adequate OH&S systems, resources, and training	93 per cent	92 per cent	92 per cent	90 per cent
	90 per cent			
Employees considering prompt and effective action is taken when unsafe conditions are brought to management attention	8 points above Australian National Norm	91 per cent	90 per cent	90 per cent
Leadership				
Overall leadership score	70 per cent	67 per cent	73 per cent	73 per cent
Employees have a clear sense of direction from the Leadership Team	79 per cent	75 per cent	81 per cent	80 per cent

Absenteeism¹

	FY20	FY19	FY18	FY17	FY16	FY15
Absent Days per FTE ¹	5.0	4.5	4.7	4.7	4.9	4.9

¹ Absenteeism reflects the amount of personal/carer's leave taken in the last 12 months. It is calculated by dividing [Total Days Of Personal/Carer's Leave In The Last 12 Months] By [12-Month Average FTE]. Absenteeism includes permanent, extended leave and fixed term employees only.

New hires by age group

FY20	<25	25 - <35	35 - <45	45 - <55	55 - <65	>65
Number	48	95	78	48	16	1
Per cent	17%	33%	27%	17%	6%	0%

New hires by gender

FY20	MALE	FEMALE
Number	116	170
Per cent	41%	59%

¹ Absenteeism reflects the amount of personal/carer's leave taken in the last 12 months. It is calculated by dividing [Total Days Of Personal/Carer's Leave In The Last 12 Months] By [12-Month Average FTE]. Absenteeism includes permanent, extended leave and fixed term employees only.

Turnover¹

Turnover	FY20	FY19 ¹	FY18 ²	FY17	FY16	FY15
Employee initiated turnover ³	12.1%	16.3%	14.1%	15.1%	14.9%	13.8%
	(177)	(249)	(214)	(220)	(216)	(193)
• Employee initiated turnover for employees with Strong performance or above ⁴	9.2%	13.9%	10.9%	10.6%	11.8% ⁵	12.2% ⁶
	(76)	(120)	(97)	(104)	(143)	(150)
Stockland initiated turnover ⁷	5.2%	4.3%	2.4%	2.4%	5.6% ⁸	3.0%
	(76)	(66)	(37)	(35)	(81)	(42)
Total	17.3%	20.7%	16.5%	17.5%	20.5%	16.8%
	(253)	(315)	(251)	(255)	(297)	(235)

- ¹ In FY20 the methodology and data exports for calculating turnover was changed. The FY19 data has been updated using the new methodology and data sets.
- ² FY18 Employee initiated turnover for employees with Strong performance or above percentage figures have been updated using the calculation method consistent with FY19, FY17, FY16 and FY15. The calculation is the number of voluntary, strong performer leavers divided by the number of strong performers at the start of the year.
- ³ Employee-initiated turnover includes resignations and retirements.
- ⁴ Stockland uses a four-point rating scale for performance. This metric assesses turnover for the two highest performance ratings. Employee-initiated turnover employees with Strong Performance or Above is calculated by dividing [Total Number Of Exits In The Last 12 Months With A Strong Performance Or Above Rating] by [Employees With A Strong Performance Or Above Rating].
- ⁵ FY16 Employee Initiated for employees with Strong Performance or Above is calculated by dividing [Total Number Of Exits In The Last 12 Months With A Strong Performance Or Above Rating] by [Employees With A Strong Performance Or Above Rating As At 30 June 2016].
- ⁶ FY15 Employee Initiated For Strong Performance or Above is calculated by dividing [Total Number Of Exits In The Last 12 Months With A Strong Performance Or Above Rating] by [Employees With A Strong Performance Or Above Rating As At 30 June 2015].
- ⁷ Stockland initiated turnover includes redundancy or termination by Stockland (e.g. terminated during probation or for cause).
- ⁸ Stockland initiated turnover increased in the second half of FY16 as a result of redundancies that were a part of Project Support. Project Support was an initiative to create an outsourced team (Stockland Support Centre) to undertake activities to allow Stockland to better focus on the needs of our customers. The Project Support redundancies make up 3% of Stockland initiated turnover.

Turnover by tenure group²

Tenure group	FY20	FY19 ¹	FY18	FY17	FY16	FY15
<1 Year	15.0%	16.4%	14.6%	20.1%	22.5%	18.8%
	(31)	(38)	(38)	(46)	(50)	(40)
1 - <3 Years	21.0%	28.4%	20.9%	19.8%	21.5%	20.0%
	(85)	(120)	(84)	(78)	(83)	(71)
3 - <5 Years	18.0%	23.2%	15.9%	19.4%	19.7%	16.4%
	(44)	(61)	(42)	(47)	(50)	(43)
5 - <10 Years	16.1%	15.1%	16.0%	16.8%	20.3%	14.8%
	(56)	(51)	(55)	(64)	(82)	(59)
>10 Years	14.1%	16.7%	12.5%	9.3%	17.5%	14.0%
	(37)	(45)	(32)	(20)	(32)	(22)

- ¹ In FY20 the methodology and data exports for calculating turnover was changed. The FY19 data has been updated using the new methodology and data sets.

¹ Turnover presents the proportion of the Stockland workforce that has exited in the last 12 months. It is calculated by dividing [Total Number Of Exits In The Last 12 Months] by [12-Month Average Headcount]. All turnover data (including headcount) excludes those employed on a casual or fixed term basis. The first number represents this turnover. From FY15 onwards, Stockland reports on the number of exits (the second number in parentheses).

² Turnover (%) by tenure group is calculated by dividing [Total Number Of Exits In The Last 12 Months Of Particular Tenure Group] by [12-Month Average Headcount Of Particular Tenure Group].

Turnover by age group¹

Age group	FY20	FY19 ¹	FY18	FY17	FY16	FY15
<25	12.5%	25.1%	13.6%	6.7%	22.8%	14.6%
	(9)	(17)	(9)	(4)	(11)	(7)
25 - <35	21.4%	22.9%	16.4%	24.6%	19.4%	19.4%
	(84)	(102)	(75)	(107)	(87)	(87)
35 - <45	16.8%	20.5%	17.6%	14.6%	19.2%	14.2%
	(73)	(92)	(79)	(65)	(88)	(63)
45 - <55	16.3%	21.6%	17.4%	14.2%	22.5%	14.0%
	(51)	(70)	(58)	(45)	(68)	(38)
55 - <65	12.6%	15.0%	13.1%	15.6%	21.6%	17.5%
	(27)	(30)	(24)	(27)	(36)	(27)
>65	22.3%	11.1%	17.0%	24.5%	25.6%	41.4%
	(9)	(4)	(6)	(7)	(7)	(13)

¹ In FY20 the methodology and data exports for calculating turnover was changed. The FY19 data has been updated using the new methodology and data sets.

Turnover by gender²

Gender	Turnover	FY20	FY19 ¹	FY18	FY17	FY16	FY15
Male	Total	16.4%	20.5%	16.3%	19.3%	19.2%	19.2%
		(100)	(129)	(103)	(117)	(117)	(111)
	Employee initiated turnover	11.0%	15.6%	13.3%	16.0%	14.1%	16.4%
		(67)	(98)	(84)	(97)	(86)	(94)
	• Employee initiated turnover for employees with Strong performance or above	7.2%	13.3%	6.6%	10.6%	10.4%	14.6%
		(26)	(50)	(42)	(42)	(54)	(72)
Female	Stockland initiated turnover	5.4%	4.9%	3.0%	3.3%	5.1%	2.8%
		(33)	(31)	(19)	(20)	(31)	(17)
	Total	17.9%	20.8%	16.6%	16.2%	21.4%	15.2%
		(153)	(186)	(148)	(138)	(180)	(124)
	Employee initiated turnover	12.8%	16.9%	14.6%	14.4%	15.5%	12.1%
		(110)	(151)	(130)	(123)	(130)	(99)
	• Employee initiated turnover for employees with Strong performance or above	10.7%	14.4%	6.2%	12.2%	12.8%	10.7%
		(50)	(70)	(55)	(70)	(89)	(78)
	Stockland Initiated turnover	5.0%	3.9%	2.0%	1.8%	5.9%	3.1%
		(43)	(35)	(18)	(15)	(50)	(25)

¹ In FY20 the methodology and data exports for calculating turnover was changed. The FY19 data has been updated using the new methodology and data sets.

¹ Turnover (%) by age group is calculated by dividing [Total Number Of Exits In The Last 12 Months Of Selected Age Group] by [12-Month Average Headcount Of Particular Age Group].

² Turnover (%) by gender is calculated by dividing [Total Number Of Exits In The Last 12 Months Of Particular Gender] by [12-Month Average Headcount Of Particular Gender].

Parental leave return rate within 12 months¹

Gender	Total Leave	Returns	FY20 Return Rate	FY19	FY18	FY17	FY16
Male	29	28	96.6%	75.0%	90.0%	94.1%	94.4%
Female	92	74	80.4%	89.0%	91.5%	80.4%	79.2%
Overall	121	102	84.3%	85.7%	91.0%	82.3%	84.1%

¹ Parental leave return rates look at the return rates of employees who have returned from parental leave in FY19 and FY20 and either remain employed (returns) or exited during FY20 either within 6 months or 12 months of return.

Human capital development

Learning

	FY20	FY19	FY18	FY17	FY16	FY15
Training days per employee ¹	2.3	1.6	2.0	2.5	3.1	2.5

¹ Training days per employee is calculated by dividing [Total Number Of Training Hours/7.8] by [12-Month Average Headcount].

Training days per employee by employee category and gender

Employee Category	FY20	
	Female	Male
Executive Committee	5.5	5.0
General Manager	2.1	2.1
Senior Manager	2.5	2.2
Manager	2.9	2.9
Professional/Technical	1.9	2.3
Employee	2.0	1.8
Total	2.2	2.3

We have a number of online mandatory training programs that all new employees must undertake to comply with our obligations under our Human Rights Policy. All employees are then 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. Other mandatory training includes Compliance at Stockland, Cyber Security Awareness and Privacy at Stockland. During FY20 the total hours of employee training for these items was approximately 4864 hours. Failure to complete required training impacts employee performance ratings as well as eligibility for and payment of incentives – including long term, short term, and/or sales bonuses (for those who qualify).

Development

FY20	% Eligible Employees ¹
Performance review	100
Career development plan	49

¹ Eligible employees are permanent employees who have worked for Stockland for at least three months.

Diversity and inclusion

Workforce by cultural background

Culture ¹	FY20 ²	FY19	FY18 ³	FY17 ⁴	FY16 ⁵	FY15 ⁶
Australian	69.6%	62.3%	62.3%	56.2%	62.5%	56.2%
Aboriginal and Torres Strait Islander	2.0%	0.8%	0.7%	0.4%	0.0%	0.4%
European ⁷	12.1%	18.0%	19.0%	25.4%	22.8%	25.4%
Asian ⁸	10.8%	10.9%	8.9%	9.3%	8.7%	9.3%
Maori and New Zealand	2.2%	1.8%	1.8%	2.4%	2.3%	2.4%
Middle Eastern	1.4%	1.2%	1.3%	0.8%	0.0%	0.8%
South African	n/a	0.8%	0.9%	1.0%	1.2%	1.0%
North American	n/a	n/a	0.9%	0.6%	0.0%	0.6%
Other	1.9%	4.2%	4.3%	4.0%	2.5%	4.0%

1 Data presented as a percentage of respondents who chose to disclose their cultural background to the Our Voice survey, Stockland's employee engagement survey. Some employees choose not to disclose their cultural background. Responses to this survey are completely confidential – Stockland has no access to individual data points.

2 83% of respondents chose to disclose their cultural background in FY20.

3 94% of respondents chose to disclose their cultural background in FY18.

4 91% of respondents chose to disclose their cultural background in FY17.

5 83% of respondents chose to disclose their cultural background in FY16.

6 91% of respondents chose to disclose their cultural background in FY15. In FY15, the response options for the cultural association question were reviewed. The review highlighted the opportunity to provide clearer options and descriptors. The response options are now structured by region with several country examples. The structure is based on the UN regional groupings. This change has contributed to a significant change in cultural background distribution from FY14 to FY15.

7 Includes Eastern European, Northern European, Southern European, Western European

8 Includes NE Asian, SE Asian, Southern and Central Asian

Women in management

Job band ¹	FY20		FY19		FY18		FY17		FY16		FY15	
	TOTAL	% WOMEN	TOTAL	% WOMEN	TOTAL	% WOMEN	TOTAL	% WOMEN	TOTAL	% WOMEN	TOTAL	% WOMEN
Management	538	46.7%	557	45.8%	574	45.1%	555	45.9%	536	44.6%	515	44.7%
• Executive ²	8	50.0%	8	50.0%	11	27.3%	9	11.1%	9	11.0%	9	11.0%
• Senior Management ³	133	39.8%	136	41.2%	146	39.7%	152	38.8%	151	36.0%	138	36.0%
• Manager	397	48.9%	413	47.2%	417	47.5%	394	49.5%	376	49.0%	368	49.0%
Employee	1,029	64.0%	1,034	65.7%	1,116	66.3%	1,065	66.9%	1,010	67.0%	1,012	66.0%
Stockland	1,567	58.1%	1,591	58.7%	1,690	59.3%	1,620	59.7%	1,546	60.0%	1,527	59.0%

1 Workforce by gender includes permanent employees, fixed term employees, and employees on extended leave. It excludes casual employees, Board members, special contractors, temps and vendors.

2 Executive is Stockland's Executive Committee.

3 Includes General Manager and Senior Manager job bands.

Women in management by business

Business ¹	FY20	FY19	FY18	FY17	FY16	FY15
Stockland	46.7%	45.8%	45.1%	45.9%	44.6%	44.7%
Commercial Property	37.5%	37.3%	33.9%	36.5%	33.7%	32.4%
Corporate	48.4%	49.3%	51.0%	52.3%	50.0%	56.6%
Residential	n/a	n/a	32.1%	25.3%	21.0%	23.4%
Retirement Living	n/a	n/a	50.5%	56.2%	62.4%	56.5%
Stockland Communities	49.7%	45.5%	42.3%	41.3%	41.9%	39.0%

¹ Includes Executive Committee, General Manager, Senior Manager and Manager job bands.

Average fixed remuneration ratio by job band

Job band ¹	FY20	FY19	FY18	FY17	FY16	FY15
Executive	0.63	0.64	0.71	0.64	0.59	0.6
Senior Management ²	0.88	0.87	0.85	0.86	0.85	0.93
Management	0.85	0.84	0.85	0.84	0.83	0.85
Employee/ Professional Technical	0.89	0.87	0.86	0.86	0.86	0.86
Stockland ³	0.73	0.71	0.68	0.66	0.64	0.66

¹ Average fixed remuneration ratio looks at the ratio of the average female fixed pay to the average male fixed pay by job band.

² Senior Management includes Senior Manager and General Manager job bands.

³ The ratio is a function of total pay and employee number by gender.

We generally do not capture data on the number of people hired from the local communities in which we operate, given our spread of assets across Australia.

Gender pay equity ratio

We believe the methodology of measuring pay equity is limited if based solely on average fixed pay by job band as it ignores different market values placed on different jobs. We believe a better and more accurate process is that we assess gender pay equity by considering an individual's positioning against the relevant market benchmark. This analysis is shown below in the gender pay equity ratio table.

	FY20	FY19	FY18	FY17	FY16	FY15
Stockland¹	99.2%	98.5%	98.3%	98.6%	97.4%	97.2%

¹ The gender pay equity ratio is calculated by dividing the female compa-ratio by the male compa-ratio for employees. Compa-ratio represents the ratio of employees' Fixed Pay to the median of the applicable benchmark. For example, if an employee's Fixed Pay is \$120,000 and the market mid-point is \$100,000, the compa-ratio versus the median of the applicable benchmark is 120% (\$120,000 / \$100,000). An employee's position against the applicable benchmark will vary based on relative experience and skills. If a female has a compa-ratio of 102% and a male has a compa-ratio of 104%, then the gender pay equity ratio would be 98%. A gender pay equity ratio that is less than 100% suggests that males are better positioned against market in comparison to females, whereas a gender pay equity ratio that is 100% or higher suggests that females are equally or better positioned against market in comparison to males. The ratio excludes Stockland Executive Committee.

Health and safety

	FY20	FY19	FY18	FY17	FY16	FY15
Total average workforce ¹	1,619	1680	1689	1578	1507	1438 ²
Total hours worked (million)	2.96	3.08	3.08	2.83	2.75	2.53
Number of lost time injuries (LTI) ^{3,4}	10	10 ⁵	5	5	11	12
Lost time injury frequency rate (LTIFR) ⁶	3.4	3.9 ⁷	1.6	1.8	4	4.7
Number of injuries requiring medical treatment (MTI) ⁸	14	17 ⁹	25	24 ¹⁰	12	14
Medical treatment injury frequency rate (MTIFR) ¹¹	4.7	5.5 ⁷	8.1	8.5	4.4	5.5
Frequency rate (LTI and MTI) ¹²	8.1	9.4	9.7	10.2	8.4	10.2
Occupational diseases instances	0	0	0	0	0	0
Fatalities	0	0	0	0	0	0
Lost days ¹³	289	157 ¹⁴	426 ¹⁵	599	599	267
Average lost day rate ¹⁶	20.9	5.3 ¹⁷	5.8	16.6	27.1	22.2
Development contractor LTIFR ¹⁸	2.2	6.7	6.1	n/a	n/a	n/a
Development contractor fatalities	0	0	0	0	0	0

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

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

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

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

5 FY19 figure adjusted from 10 to 12

6 Number of LTIs / total hours worked from July 2019 to June 2020 x 1,000,000 hours.

7 FY19 figure adjusted from 3.2 to 3.9

8 An injury resulting in the injured person receiving further treatment from a medical practitioner i.e. GP, physio, hospitalisation etc. Not including lost time injuries.

9 FY19 figure adjusted from 19 to 17

10 Although MTIs have increased in FY17, it has corresponded with a decrease in LTIs over the same period. The same trend can be observed in FY18. This result can be attributed to various health and safety initiatives implemented throughout these years including return to work initiatives aimed at mitigating lost time. More information on these initiatives is in our Health and Safety progress report.

11 Number of MTIs / total hours worked from July 2019 to June 2020 x 1,000,000 hours.

12 Number of LTIs + MTIs / total hours worked from July 2019 to June 2020 x 1,000,000 hours.

13 Lost days recorded in the year irrespective of the year the injury occurred.

14 Adjusted to include lost days attributed to a longstanding injury from a previous financial year.

15 Includes 397 lost days attributed to two longstanding injuries from previous financial years.

16 Number of Lost Days / number of respective LTIs reported in FY20. Does not include lost days accruing from LTIs of previous years.

17 FY19 figure adjusted from 6.5 to 5.3

18 Development is defined as greenfield/brownfield construction of new buildings and substantial structural works in existing buildings. Mainly where we have engaged a head/main contractor to manage the project and other contractors/sub-contractors. Stockland relies on information provided by contractors on development sites in order to report Development Contractor LTIFR performance.

Breakdown by gender and region

	MEN	WOMEN	NSW	ACT	QLD	VIC	WA	SA
FY20¹								
Number of lost time injuries	8	2	6	1	1	0	1	1
Number of lost days	214	75	106	54	2	0	54	73
FY19								
Number of lost time injuries	9 ²	3 ³	5	0	1	1	1 ⁴	4 ⁵
Number of lost days ⁶	41 ⁷	116 ⁸	24 ⁹	0	1	19	94 ¹⁰	19 ¹¹
FY18								
Number of lost time injuries	3	2	2	1	1	0	1	0
Number of lost days ¹²	18	11	15	3	7	0	4	0
FY17								
Number of lost time injuries	2	3	2	0	2	1	0	0
Number of lost days ¹³	524	75	215	0	20	364	0	0
FY16								
Number of lost time injuries	9	2	5	0	2	3	0	1
Number of lost days ¹⁴	557	42	306	0	36	249	0	8
FY15								
Number of lost time injuries	9	3	7	0	2	3	0	0
Number of lost days ¹⁵	231	36	249	0	13	5	0	0

1 FY20 data includes the 11 months to May 2020

2 FY19 figure adjusted from 8 to 9

3 FY19 figure adjusted from 2 to 3

4 FY19 figure adjusted from 0 to 1

5 FY19 figure adjusted from 3 to 4

6 FY19 metrics include 15 lost days related to one lost time injuries (longstanding) reported in prior years but continued to lose time in FY19.

7 FY19 figure adjusted from 61 to 41

8 FY19 figure adjusted from 4 to 116

9 FY19 figure adjusted from 27 to 24

10 FY19 figure adjusted from 0 to 94

11 FY19 figure adjusted from 18 to 19

12 FY18 metrics include 397 lost days related to two lost time injuries (longstanding) reported in prior years but continued to lose time in FY18.

13 FY17 metrics include 516 lost days related to three lost time injuries (all longstanding) reported in prior years but continued to lose time in FY17.

14 FY16 metrics include 301 lost days related to three lost time injuries (two of which are longstanding) reported in a prior year but continued to lose time in FY16.

15 FY15 metrics include 105 lost days related to the re-aggravation of a lost time injury reported in a prior year but continued to lose time in FY15.

STOCKLAND

GRI Index FY20

Stockland's sustainability reporting has been prepared in accordance with the **GRI Standards** (Comprehensive). This report also serves as the UN Global Compact (UNGC) Communication on Progress. This index relates to our FY20 sustainability reporting and provides a guide on where information can be found as it relates to GRI and UNGC reporting requirements.

Our FY20 sustainability reporting is available on our [website](#).

	Disclosure	Location or comment	UNGC	Relevant material matter or enduring theme
GRI 102: General Disclosures				
102-01	Name of the organisation	Annual Report		N/A
102-02	Activities, brands, products, and services	Annual Report		N/A
102-03	Location of headquarters	Stockland website, Contact Us		N/A
102-04	Location of operations	Annual Report		N/A
102-05	Ownership and legal form	Annual Report		N/A
102-06	Markets served	Annual Report		N/A
102-07	Scale of the organisation	People Data Pack Annual Report		N/A
102-08	Information on employees and other workers	People Data Pack	Principle 6	N/A
102-09	Supply chain	Supply Chain Deep Dive		N/A
102-10	Significant changes to the organisation and its supply chain	During FY20, Stockland appointed a new Group Executive and Chief Innovation, Marketing and Technology Officer.		N/A
102-11	Precautionary Principle or approach	Our Management Approach to Governance and Risk Our Management Approach to Climate Resilience	Principle 7	Climate change impacts our assets, operations and the broader community Climate Resilience
102-12	External initiatives	Annual Report	UNGC commitment	N/A
102-13	Membership of associations	Our Management Approach to Stakeholder Engagement		N/A
102-14	Statement from senior decision-maker	Annual Report	Statement of continuing support	N/A
102-15	Key impacts, risks, and opportunities	Annual Report		NA
102-16	Values, principles, standards, and norms of behaviour	Annual Report	Principle 10	N/A
102-17	Mechanisms for advice and concerns about ethics	Our Management Approach to Governance and Risk Our Management Approach to Human Rights	Principle 10	N/A
102-18	Governance structure	Annual Report , Governance		N/A
102-19	Delegating authority	Annual Report , Governance		N/A
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Management Approach to Governance and Risk		N/A

	Disclosure	Location or comment	UNGC	Relevant material matter or enduring theme
102-21	Consulting stakeholders on economic, environmental, and social topics	Our Management Approach to Governance and Risk Our Management Approach to Stakeholder Engagement		N/A
102-22	Composition of the highest governance body and its committees	Annual Report , Governance		N/A
102-23	Chair of the highest governance body	Annual Report , Governance		N/A
102-24	Nominating and selecting the highest governance body	Annual Report , Governance		N/A
102-25	Conflicts of interest	Our Management Approach to Governance and Risk		N/A
102-26	Role of highest governance body in setting purpose, values, and strategy	Our Management Approach to Governance and Risk Governance and Risk Deep Dive		N/A
102-27	Collective knowledge of highest governance body	Annual Report , Governance		N/A
102-28	Evaluating the highest governance body's performance	Annual Report , Governance		N/A
102-29	Identifying and managing economic, environmental, and social impacts	Our Management Approach to Governance and Risk		N/A
102-30	Effectiveness of risk management processes	Our Management Approach to Governance and Risk Governance and Risk Deep Dive		N/A
102-31	Review of economic, environmental, and social topics	Our Management Approach to Governance and Risk Governance and Risk Deep Dive		N/A
102-32	Highest governance body's role in sustainability reporting	Our Management Approach to Governance and Risk		N/A
102-33	Communicating critical concerns	Our Management Approach to Governance and Risk Our Management Approach to Human Rights		N/A
102-34	Nature and total number of critical concerns	Human Rights Deep Dive		N/A
102-35	Remuneration policies	Annual Report , Remuneration		N/A
102-36	Process for determining remuneration	Annual Report , Remuneration		N/A
102-37	Stakeholders' involvement in remuneration	Our Management Approach to Stakeholder Engagement		N/A
102-38	Annual total compensation ratio	People Data Pack		N/A
102-39	Percentage increase in annual total compensation ratio	People Data Pack		N/A
102-40	List of stakeholder groups	Our Management Approach to Stakeholder Engagement		N/A
102-41	Collective bargaining agreements	Human Rights Deep Dive	Principle 3	N/A
102-42	Identifying and selecting stakeholders	Our Management Approach to Stakeholder Engagement		N/A

	Disclosure	Location or comment	UNGC	Relevant material matter or enduring theme
102-43	Approach to stakeholder engagement	Our Management Approach to Stakeholder Engagement Our Management Approach to Customer Engagement and Experience		Customer engagement Ability to harness digital business opportunities to remain competitive
102-44	Key topics and concerns raised	Reporting Approach		N/A
102-45	Entities included in the consolidated financial statements	Annual Report		N/A
102-46	Defining report content and topic boundaries	Reporting Approach		N/A
102-47	List of material topics	Reporting Approach		N/A
102-48	Re-statements of information	Any re-statements are indicated using footnotes in the report.		N/A
102-49	Changes in reporting	Reporting Approach		N/A
102-50	Reporting period	Reporting Approach		N/A
102-51	Date of most recent report	Reporting Approach		N/A
102-52	Reporting cycle	Reporting Approach		N/A
102-53	Contact point for questions regarding the report	Reporting Approach		N/A
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Approach		N/A
102-55	GRI content index	GRI Index		N/A
102-56	External assurance	Reporting Approach		N/A
GRI 103: Management Approach				
103-1	Explanation of the material topic and its Boundary	Reporting Approach Annual Report		N/A
103-2	The management approach and its components	Management approach documents for enduring themes available on our website at www.stockland.com.au/sustainabilitydownloads		N/A
103-3	Evaluation of the management approach	As per 103-2 above		N/A
GRI 200: Economic				
201-1	Direct economic value generated and distributed	Annual Report Community Deep Dive		Community
201-2	Financial implications and other risks and opportunities due to climate change	Annual Report , Climate-related Financial Disclosures Our Management Approach to Climate Resilience	Principle 7	Climate change impacts our assets, operations and the broader community Climate Resilience
201-3	Defined benefit plan obligations and other retirement plans	Stockland does not offer defined benefit plans.		Employee engagement and development
201-4	Financial assistance received from government	Stockland does not receive financial assistance from government.		Stakeholder engagement
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	People Data Pack		N/A
202-2	Proportion of senior management hired from the local community	People Data Pack		N/A
203-1	Infrastructure investments and services supported	Community Data Pack		Community

	Disclosure	Location or comment	UNGC	Relevant material matter or enduring theme
203-2	Significant indirect economic impacts	Community Deep Dive Community Data Pack		Community
204-1	Proportion of spending on local suppliers	Supply Chain Deep Dive		Supply chain
205-1	Operations assessed for risks related to corruption	Human Rights Deep Dive	Principle 10	Human rights
205-2	Communication and training about anti-corruption policies and procedures	Health, Safety and Security Deep Dive	Principle 10	Human rights
205-3	Confirmed incidents of corruption and actions taken	Human Rights Deep Dive	Principle 10	Human rights
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal actions for anti-competitive behaviour, anti-trust, or monopoly practices in FY20.		Human rights
GRI 300: Environmental				
301-1	Materials used by weight or volume	Waste and Materials Deep Dive	Principle 7 Principle 8	Waste and materials
301-2	Recycled input materials used	Waste and Materials Deep Dive	Principle 8	Waste and materials
301-3	Reclaimed products and their packaging materials	Not relevant for our organisation.	Principle 8	N/A
302-1	Energy consumption within the organisation	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7	Carbon and energy
302-2	Energy consumption outside of the organisation	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8	Carbon and energy
302-3	Energy intensity	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8	Carbon and energy
302-4	Reduction of energy consumption	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8 Principle 9	Carbon and energy
302-5	Reductions in energy requirements of products and services	Carbon and Energy Deep Dive Asset Rating and Certification Deep Dive	Principle 8	Carbon and energy
303-1	Water withdrawal by source	Environmental Data Pack	Principle 7 Principle 8	Water Management
303-2	Water sources significantly affected by withdrawal of water	Water Management Deep Dive	Principle 8	Water Management
303-3	Water recycled and reused	Water Management Deep Dive	Principle 8	Water Management
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Data Pack Biodiversity Deep Dive	Principle 8	Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Deep Dive	Principle 8	Biodiversity
304-3	Habitats protected or restored	Biodiversity Deep Dive	Principle 8	Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Deep Dive	Principle 8	Biodiversity
305-1	Direct (Scope 1) GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy

	Disclosure	Location or comment	UNGC	Relevant material matter or enduring theme
305-2	Energy indirect (Scope 2) GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
305-3	Other indirect (Scope 3) GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
305-4	GHG emissions intensity	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8	Carbon and energy
305-5	Reduction of GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8 Principle 9	Carbon and energy
305-6	Emissions of ozone-depleting substances (ODS)	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
306-1	Water discharge by quality and destination	Water Management Deep Dive	Principle 8	Water Management
306-2	Waste by type and disposal method	Environmental Data Pack Waste and Materials Deep Dive	Principle 8	Waste and materials
306-3	Significant spills	There we no significant spills to report in FY20.	Principle 8	Waste and materials
306-4	Transport of hazardous waste	Our Management Approach to Waste and Materials	Principle 8	Waste and materials
306-5	Water bodies affected by water discharges and/or runoff	Water Management Deep Dive	Principle 8	Waste and materials
307-1	Non-compliance with environmental laws and regulations	No fines or sanctions related to non-compliance with environmental laws and regulations in FY20.	Principle 8	Regulatory and policy changes impact our business and customers
308-1	New suppliers that were screened using environmental criteria	Our Management Approach to Supply Chain Supply Chain Deep Dive	Principle 8	Supply chain
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Deep Dive	Principle 8	Supply chain
GRI 400: Social				
401-1	New employee hires and employee turnover	People Data Pack Employee Engagement, Development, Diversity and Inclusion Deep Dive	Principle 6	Employee engagement and development
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People Data Pack Employee Engagement, Development, Diversity and Inclusion Deep Dive		Employee engagement and development
401-3	Parental leave	People Data Pack Employee Engagement, Development, Diversity and Inclusion Deep Dive	Principle 6	Employee engagement and development
402-1	Minimum notice periods regarding operational changes	Employee Engagement, Development, Diversity and Inclusion Deep Dive	Principle 3	Employee engagement and development
403-1	Workers representation in formal joint management-worker health and safety committees	Operational and development teams across the business are required to address work health and safety (WHS) as a standard agenda item on business meetings, replacing the need for formal WHS Committees. However, it is noted that as per regulations, committees must be established if requested by workers.		Health and safety

	Disclosure	Location or comment	UNGC	Relevant material matter or enduring theme
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety Deep Dive People Data Pack		Health and safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	Health and Safety Deep Dive People Data Pack		Health and safety
403-4	Health and safety topics covered in formal agreements with trade unions	Human Rights Deep Dive		Health and safety
404-1	Average hours of training per year per employee	Employee Engagement, Development, Diversity and Inclusion Deep Dive People Data Pack	Principle 6	Employee engagement and development
404-2	Programs for upgrading employee skills and transition assistance programs	Our Management Approach to Employee Engagement and Development Employee Engagement, Development, Diversity and Inclusion Deep Dive		Employee engagement and development
404-3	Percentage of employees receiving regular performance and career development reviews	People Data Pack	Principle 6	Employee engagement and development
405-1	Diversity of governance bodies and employees	Annual Report People Data Pack	Principle 6	Diversity and inclusion
405-2	Ratio of basic salary and remuneration of women to men	People Data Pack	Principle 6	Diversity and inclusion
406-1	Incidents of discrimination and corrective actions taken	Human Rights Deep Dive	Principle 6	Human rights
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Deep Dive	Principle 2 Principle 3	Human rights
408-1	Operations and suppliers at significant risk for incidents of child labour	Supply Chain Deep Dive	Principle 1 Principle 2 Principle 5	Human rights
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Supply Chain Deep Dive	Principle 1 Principle 4 Principle 2	Human rights
410-1	Security personnel trained in human rights policies or procedures	Human Rights Deep Dive	Principle 1 Principle 2	Human rights
411-1	Incidents of violations involving rights of indigenous peoples	Human Rights Deep Dive	Principle 1	Human rights
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights Deep Dive	Principle 1	Human rights
412-2	Employee training on human rights policies or procedures	Human Rights Deep Dive	Principles 1-6	Human rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All significant investments were made in Australian property. We have clauses in our agreements requiring compliance with laws including human rights legislation and screening in place for this material spend.	Principles 1-6	Human rights
413-1	Operations with local community engagement,	Stakeholder Engagement Deep Dive Community Deep Dive		Community

	Disclosure	Location or comment	UNGC	Relevant material matter or enduring theme
	impact assessments, and development programs			
413-2	Operations with significant actual and potential negative impacts on local communities	Stakeholder Engagement Deep Dive	Principle 1	Community
414-1	New suppliers that were screened using social criteria	Our Management Approach to Supply Chain Our Management Approach to Human Rights	Principles 1-6	Supply chain Human rights
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Deep Dive Human Rights Deep Dive	Principle 2	Supply chain Human rights
415-1	Political contributions	Our Management Approach to Stakeholder Engagement	Principle 10	Stakeholder engagement
416-1	Assessment of the health and safety impacts of product and service categories	Health and Safety Deep Dive		Health and safety Security risks and unexpected market events impact business continuity and community resilience
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No non-compliance concerning health and safety impacts of products in FY20.		Health and safety Increasing expectation on organisations from the community
417-1	Requirements for product and service information and labelling	Not relevant for our organisation.		N/A
417-2	Incidents of non-compliance concerning product and service information and labelling	No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling in FY20.		Regulatory and policy changes impact our business and customers
417-3	Incidents of non-compliance concerning marketing communications	During FY20, Stockland received a warning from Western Australia Department of Mines, Industry Regulation and Safety, Consumer Protection Division in relation to provision of information regarding construction of future amenity.		Regulatory and policy changes impact our business and customers
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Human Rights Deep Dive		Health and safety Increasing expectation on organisations from the community
419-1	Non-compliance with laws and regulations in the social and economic area	In FY20, there were no identified instances of material non-compliance with laws and/or regulations in the social and economic area.		Governance and risk Regulatory and policy changes impact our business and customers