

Modern Slavery
Statement
30 June 2024



About this Statement

Our Modern Slavery Statement (Statement) is published in accordance with the Modern Slavery Act 2018 (Act).

The Statement comprises the consolidation of Stockland Corporation Limited (ACN 000 181 733) and its controlled entities and Stockland Trust (ARSN 092 897 348) and its controlled entities (collectively referred to as 'Stockland Group') listed in detail in *Stockland's Annual Report* on page 158. It acts as the policy framework including governance, risk assessment, due diligence and remediation for all Stockland entities and their business activities.

The Statement has been prepared by Stockland's Modern Slavery Working Group (Working Group) and endorsed by Stockland's Board.

The Statement forms part of our overall Corporate Reporting Suite. The Suite includes our Annual Report, Investor Presentation, ESG Reporting Supplements and Corporate Governance Statement. More information on our business and how we operate can be found in our Annual Report.

Consultation with entities

When preparing the Statement, the Working Group actively engaged and consulted the relevant business units and entities of the Stockland Group. The process included (i) providing an overview of the reporting requirements under the Act to the business units, entities, and corporate offices, (ii) detailing information regarding the actions intended to address these requirements (including relevant materials and updates), and (iii) seeking feedback with respect to modern slavery matters. Further details around the process adopted is provided throughout the Statement.

Modern Slavery Act Reporting Criteria

| Criterion | Page |
|---|------------|
| Identify the reporting entity | 02 |
| Describe the process of consultation with any entities that the reporting entity owns or controls and in the case of a reporting entity covered by a statement under a joint Modern Slavery Statement – the entity giving the Statement | 02 |
| Describe the structure, operations and supply chains of the reporting entity | 04 |
| Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities that the reporting entity owns or controls | 08 |
| Describe the actions taken by the reporting entity and any entity that the reporting entity owns or controls, to assess and address those risks, including due diligence and remediation processes | 10, 14 |
| Describe how the reporting entity assesses the effectiveness of such actions | 07, 13, 15 |
| Any other information that the reporting entity considers relevant | 19 |

Stockland acknowledges the Traditional Custodians and knowledge-holders of the land on which we live, work and play. We recognise and value their continued and inherent connection to land, sea, culture and community. We also pay our respects to their Elders past and present and extend that respect to all Aboriginal & Torres Strait Islander peoples today.



Chairman and Managing Director & CEO Statement

Our purpose, 'a better way to live', reflects our responsibility to understand both the economic, social and environmental impacts our business. This responsibility extends beyond our operations to our supply chain.

We know that no sector or country is immune to modern slavery. With an estimated 26 million people in situations of forced labour in the private sector alone¹, modern slavery continues to be one of the world's largest and most complex human rights issues.

The multi-tiered and globalised nature of our economy means that we need to partner with others to tackle this issue together. This has been a key priority throughout the year.

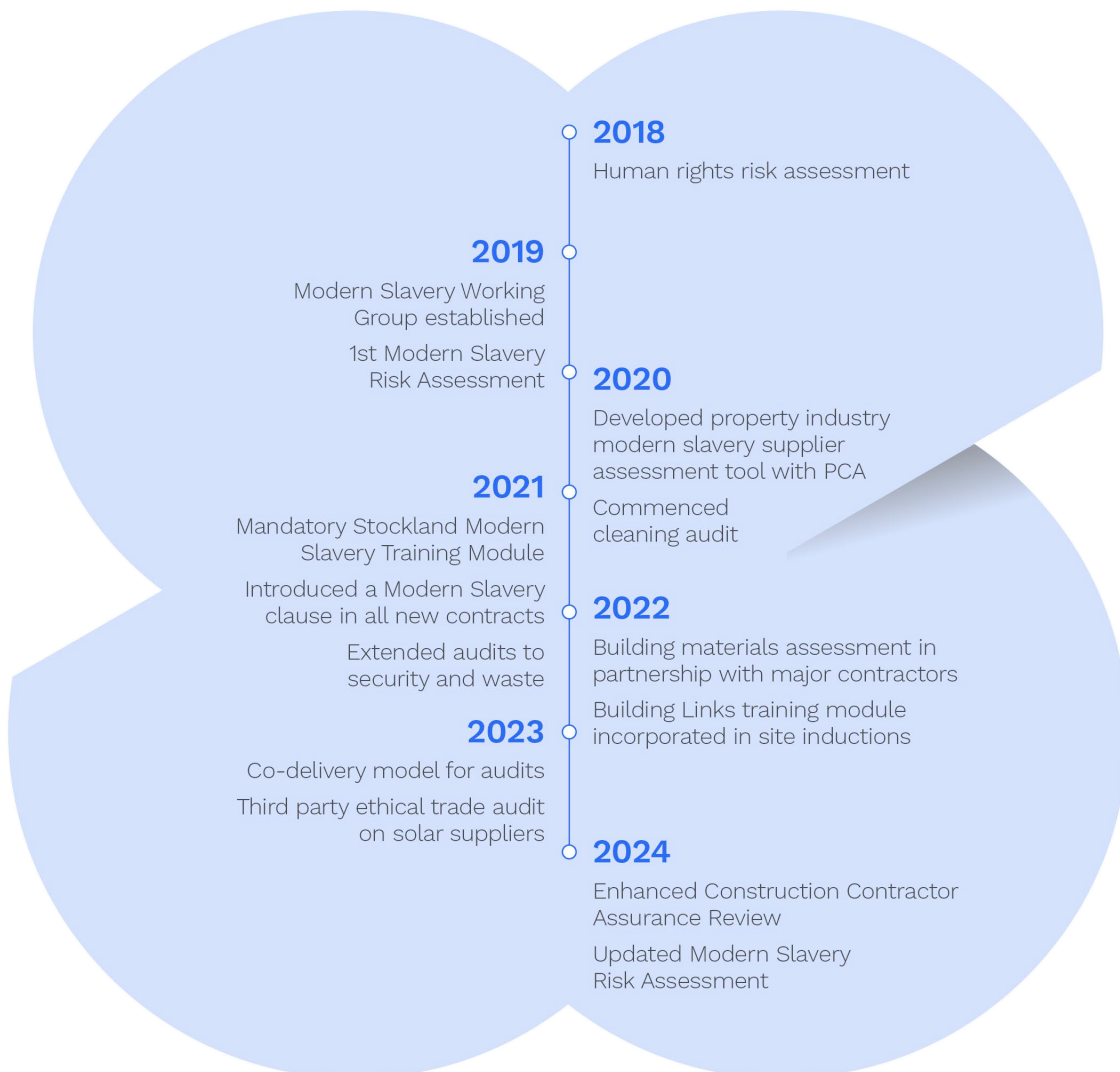
We have partnered with industry, suppliers, human rights experts and peers to update our assessment of modern slavery risk using the best available data and our employees worked with contractors to identify leading indicators of modern slavery before they impact individuals.

We are committed to helping eradicate modern slavery and will continue to pursue our purpose of 'a better way to live' for our customers, the community and those across our supply chains.

Tom Pockett
Chairman

Tarun Gupta
Managing Director and CEO

Our journey so far



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¹ Global Slavery Index: <https://www.walkfree.org/projects/the-global-slavery-index/>

About Stockland

For more than 70 years we have been creating and curating connected communities, with people at the heart of the places we create.

As one of Australia's largest diversified property groups, we are building on our legacy, helping more Australians achieve the dream of home ownership and creating places and spaces full of energy, soul and life - from residential and land lease communities, through to retail town centres, workplaces and logistics assets.

Our purpose - a better way to live - is central to everything we do. We are focused on conducting operations across our value chain with integrity and adherence to high standards of behaviour, reflecting our core values of community, accountability, respect, and excellence (CARE).

Aligned with the United Nations (UN) Guiding Principles on Business and Human Rights, we prioritise the respect and promotion of human rights, consistent with the International Bill of Rights and the eight fundamental Conventions of the International Labour Organisation.

As a signatory to the United Nations Global Compact (UNGC) since May 2015, we actively support its 10 principles. Our dedication to sustainable progress extends to supporting the UN Sustainable Development Goals, including 'Goal 8 – decent work and economic growth'.



The **UN Guiding Principles** seek to provide an authoritative global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity.



The **UNGC** support companies align with universal principles on human rights, labour, environment and anti-corruption, and advance the **UN Sustainable Development goals**.

Our structure and operations

We are one of the largest diversified real estate groups in Australia with \$15.5 billion of real estate assets and a development pipeline of ~\$50 billion¹, as at 30 June 2024.

Established in 1952 and headquartered in Sydney, Australia, we operate wholly within Australia.

Stockland is listed on the Australian Securities Exchange as a stapled security, comprised of a unit in Stockland Trust and a share in Stockland Corporation Limited.

OUR PORTFOLIO AS AT 30 JUNE 2024



Logistics

30% portfolio weighting
27 assets



Masterplanned Communities (MPC)

17% portfolio weighting
~63,700 lots remaining



Workplace

12% portfolio weighting
10 assets



Land Lease Communities (LLC)

8% portfolio weighting
~8,600 homes sites in pipeline



Town Centres

32% portfolio weighting
16 assets

¹ Total development pipeline, includes projects in early planning stages, projects with planning approval and projects under construction. Includes MPark Stage 1 at a 100% share, and the \$1.06 billion acquisition of MPC assets.



Our workforce

With a workforce of 1,685 individuals across Australia, we acknowledge the significance of their contributions to our success. For comprehensive insights into our workforce's

demographic breakdown, we encourage referring to our [ESG Data Pack](#) where we share relevant information across all aspects of our business.

| Employment status at 30 June 2024 | Employees |
|---|--------------|
| Full time | 1,549 |
| • Permanent ¹ | 1,489 |
| • Fixed term ² | 60 |
| Part time | 118 |
| • Permanent | 112 |
| • Fixed term | 6 |
| Casual ³ | 18 |
| Total Stockland headcount | 1,685 |
| Temporary or vendor workforce operating in or part of the business ⁴ | 317 |

- 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 Includes temporary, vendor and Stockland Support Services recorded in internal systems. Does not include third party asset operations and development contractors such as cleaners or security personnel.

Our supply chain

Our supply chain In FY24, we procured over \$2.4 billion of goods and services from over 3,000 direct suppliers. Our diverse range of suppliers are involved in various aspects of our operations, including building contractors (civil and built form), design consultants, information technology, cleaning and security service providers. Many of our suppliers are small to medium local businesses.

Overall, approximately 66% of our annual spend is directed towards the procurement associated with the development of our assets, while the remaining amount is allocated to operational and corporate procurement needs, such as building services, management, office supplies, and travel. Over 99% of this direct spend is to Australian suppliers.

We recognise that our suppliers operate within intricate and diverse supply chains, some of which extend beyond Australian borders. These supply chains comprise numerous layers, involving many suppliers of materials or services, both domestically and internationally.

There are risks associated with the complexity of this extended supply chain including in relation to modern slavery. As such, we have identified it as one of our highest-risk areas and remain focused on enhancing our assessment and due diligence processes to address and mitigate these risks effectively.

Stockland FY24 spend categories

| Category (Excl. Rates & Taxation) | % spend |
|-----------------------------------|--------------|
| Civil construction | 33.7% |
| Built form | 23.9% |
| Property Management | 11.8% |
| • Industrial cleaning services | 1.7% |
| • Security and safety | 0.8% |
| Government and Council | 11% |
| Consulting | 10.6% |
| Marketing | 2.2% |
| Legal | 1.5% |
| Labour | 0.5% |
| Information Technology | 0.5% |
| Insurance | 1.4% |

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Governance structure

Stockland's Board is responsible for establishing a framework of risk management across Stockland. The Board delegates oversight of risk relating to modern slavery to the Sustainability Committee as part of its responsibility to 'consider the sustainability impacts of Stockland's business activities including social, environmental, and economic impacts'.



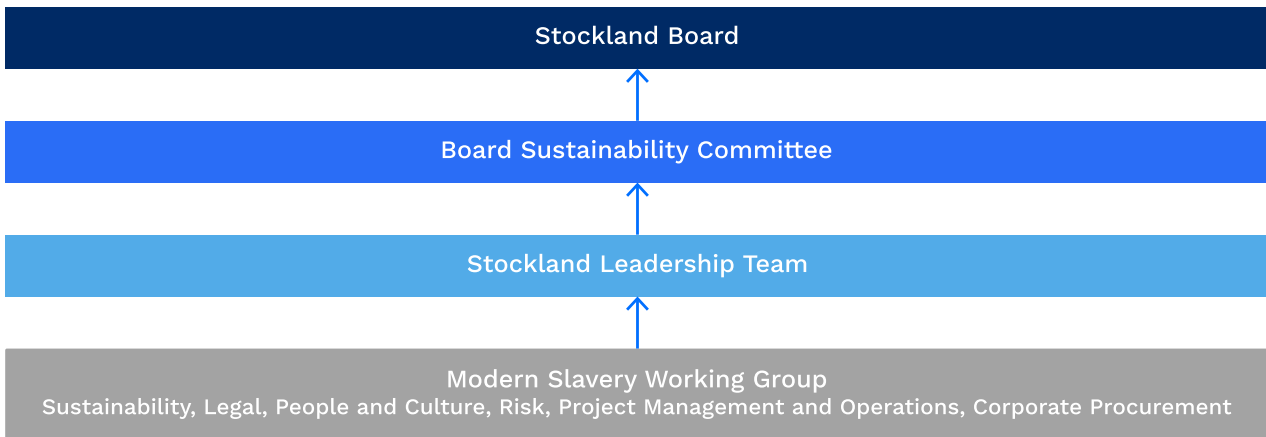
The Stockland Board and Board Committee Charters can be found on the [Stockland website](#)

The Sustainability Committee reviews a wide range of environmental, social, and economic risks and opportunities, including Stockland's human rights related risks and those concerning modern slavery. The Sustainability Committee is chaired by an independent non-executive director and meets at least four times per year. The Sustainability Committee's mandate assists in building an integrated view of environmental, social and governance (ESG) risks and opportunities across our operations and supply chain.

Our Modern Slavery Working Group (Working Group) develops and implements Stockland's modern slavery strategy. The Working Group governs various initiatives and ongoing priorities relating to effectively identifying and managing modern slavery risks and due diligence activities (including overseeing our reporting obligation) and undertakes effective and direct consultation with relevant business units, entities and officers within the Stockland Group.

Co-chaired by the Executive General Manager Sustainability and Delivery and the Group Risk Officer, the Working Group met on a regular basis in FY24 and includes representatives from across the business including Sustainability, Legal, People and Culture, Risk, Procurement, Project Management and Operations.

The Working Group's strategic priorities are outlined in [Progress and priorities](#). These priorities aim to enhance the effectiveness of Stockland's modern slavery risk assessments and engagement.





Policy and management framework

At Stockland, we believe that strong corporate governance is fundamental to conducting business with integrity and meeting the expectations of stakeholders. We are focused on achieving and demonstrating high standards of corporate governance and accountability, as detailed on the **Corporate Governance** section of our website. Moreover, our **Code Of Conduct** reiterates our expectation of our employees and directors to conduct business in a way that promotes and respects human rights and aligns with our CARE values.

Stockland has developed a suite of policies to support responsible procurement including **'What Stockland Expects from its Suppliers'**. Our policies make it clear that we expect suppliers to implement appropriate labour policies across their organisations with the goal to eliminate all forms of modern slavery.

As part of our onboarding process we require formal acknowledgement from our suppliers that they have read, understood, and will comply with this policy.

In addition to our core policies, we maintain key supporting policies and guidelines to strengthen our commitment to combating modern slavery, including but not limited to:

- **Human Rights Policy**
- **Whistleblower Policy**
- **Social Management Approach** – including Human Rights and Supply Chain Management
- **Fraud, Bribery and Corruption Policy**
- **What Stockland Expects from its Partners Guideline.**

How we assess the effectiveness of our governance approach

- Regular reviews of our modern slavery approach conducted within the Working Group reporting to the Stockland Leadership Team, Board Sustainability Committee and Board
- Train team members on the Act and associated risks
- Request and monitor feedback after supplier and employee training sessions
- Include modern slavery provisions in relevant contracts
- Consult with relevant business units, entities and officers of the Stockland Group.

Supply chain management

Given the inherently complex nature of property development, the diverse services, materials and equipment required to deliver large-scale developments and the large number of suppliers involved, we have implemented a project life cycle framework for the delivery of development projects (D-Life).

D-Life sets out the different phases involved in the life cycle of a development project and identifies and incorporates specific gates with critical control points, requiring approval before proceeding to the next phase. This creates consistency of approach, supports our compliance frameworks and helps manage risk. In addition to our internal project delivery framework, we set out the minimum sustainability, environmental and social requirements of our suppliers during the tender and project delivery processes.

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Identifying and assessing modern slavery risk

We recognise that the first step to achieving effective and successful modern slavery risk reduction is to thoroughly understand our risk-profile.

A review of our human rights issues identified our supply chain as having the highest potential for human rights risk, prompting the need to acknowledge and understand our potential to cause, contribute to, or be directly linked to modern slavery risk through our corporate, operational, and direct supply chains.

Modern slavery risks are assessed in relation to Stockland's potential to:

- **cause** - operations directly result in modern slavery
- **contribute to** - operations and/or actions may contribute to modern slavery, or
- be **directly linked to** - operations, products or services maybe connected to modern slavery through activities of another entity.

Our **modern slavery risk assessments** delved deeper into our corporate, operational, and direct supply chains to understand our potential to influence and mitigate modern slavery risk. The assessments utilise the Social Hotspot Database to determine the likelihood of social risks occurring in different industries and countries.



The **Social Hotspot Database** is a risk mapping tool that provides the ability to visualise global sector risks on a map, analyse risks for multiple issues and compare the social hotspots index for country-specific sectors identifying contributing themes within a category.

Potential ways Stockland may cause, contribute to, or be directly linked through our operations and supply chain include:

- *Corporate procurement*: Directly linked to labour conditions and child labour in the supply chain of manufactured goods, such as electronic equipment and paper.
- *Operations*: Contribute to underpayment and exploitation of migrants working for cleaning and security service subcontractors.
- *Direct procurement* relating to creating and maintaining our assets: Directly linked to Labour conditions, forced, bonded or child labour in the supply chain of building products such as solar panels.

The assessments allow us to set **supplier categorisation**, which divides our spend into procurement categories, each screened for five social risks: labour rights and decent work, health and safety, human rights, governance, and community infrastructure. These categories allowed us to identify 'high risk' procurement areas. We categorised our suppliers into four priority assessment groups which enables us to prioritise our focus and response based on the highest likelihood of modern slavery risk and our potential to influence and make impact through our spending.

Supplier categorisation is set at the start of each financial year using the spend profile of our suppliers in the prior financial year. Supplier categories for our FY24 assessments are based on supplier spend as at 30 June 2023. Supplier categorisation will be reviewed in FY25 to align with the refreshed Modern Slavery Risk Assessment (detailed on page 09).

Supplier categorisation

| Priority group | Share of spend | No. of suppliers | Definition | Examples |
|-------------------|----------------|------------------|-----------------------|--|
| Category A | 25% | 19 | High risk, high spend | Built form construction/maintenance contracts >\$5 million, cleaning |
| Category B | 9% | 1165 | High risk, low spend | Built form construction/ maintenance contracts < \$5 million, security, IT electronics (e.g. computers and phones), marketing goods (e.g. promotion merchandise), catering |
| Category C | 35% | 158 | High spend, low risk | Civil construction contracts |
| Category D | 32% | 2,137 | Low spend, low risk | All remaining suppliers |



Refreshed Modern Slavery Risk Assessment

In 2024 Stockland refreshed its Modern Slavery Risk Assessment to incorporate insights driven by a significant advance in the research and datasets available to assess global modern slavery risk since the first assessment it undertook in 2019.

Stockland worked with a specialist consultant to analyse our potential exposure to modern slavery across our operations and supply chain. Approximately \$1.8 billion of Stockland's FY23 total spend was screened using the consultant's proprietary risk screening tool.

The screening tool compiles best practice global databases, including the Social Hotspot Database, Global Slavery Index, Child Rights Index, and a comprehensive media report and literature database, to provide a likelihood of modern slavery risk for each spend category.

The assessment also uses a life cycle assessment model, which utilises market models to estimate modern slavery risk of commodities and services across global supply chains. This model enabled the analysis of not only the potential risk of Tier 1 suppliers (of which 99% of our spend is within Australia) but also potential risk of Tier 2 and Tier 3 that exist upstream of the contracted supplier.

The spend data is allocated a rating of modern slavery potential risks against procurement categories: very high, high, medium and low. Ratings are based on key factors such as high-risk countries of origin and high-risk industries and commodities.

The risk assessment results were then used in a prioritisation process to inform the top priority and most impactful actions to address modern slavery in line with our commitment to the United Nations Guiding Principles on Business and Human Rights (UNGP).

The key finding from the refreshed assessment was the elevated supply chain risks associated with construction industry compared to our original 2019 assessment. The construction industry is particularly susceptible to modern slavery practices because supply chains are fragmented, complex, and a number of stakeholders are involved in delivering projects.

The high-risk activities identified within the construction supply chain include mineral and metal extraction, stone quarrying, manufacture of fabricated metal products, cement, bricks, tiles, timber and furniture and use of subcontracted contract labour services.

Potential modern slavery risks are also present in supply chains for electrical machinery and apparatus. The types of modern slavery risk factors that drive the risk include sourcing raw materials of goods from countries with weak labour practices, deceptive recruitment practices in certain countries, sectors and transportation of goods, lack of proper oversight of subcontractors in Australia and overseas, countries with a high percentage of migrant workforce, wage exploitation, poor working conditions and forced labour.

Stockland has been working with its construction partners over the last five years running workshops, providing training and grievance resources and piloting building material supply chain risk assessments.

However, in response to the elevated risk categorisation we will place a greater focus on construction procurement controls and partnerships with our construction suppliers. Recommendations from the risk assessment will also inform the refresh of our FY25 supplier risk categorisation.



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We have implemented due diligence processes to address modern slavery within our operations and supply chains using a variety of assessments and tools.



Procurement

Stockland has a comprehensive procurement pre-qualification and assessment process to vet our suppliers and contractors from the beginning of an engagement. Tender assessments are weighted to achieve a balance of cost, time, and capability. For cleaning contractors in particular, tenders are assessed using on-site and historical knowledge regarding appropriate time allowance to complete jobs resulting in mispriced tenders being eliminated from consideration.

To reinforce our commitment, our Stockland-distributed procurement contracts include a modern slavery legal precedent clause. We also retain audit rights within our Stockland-distributed contracts, which extend to a supplier's direct subcontractors.

This clause requires suppliers to ensure:

- they comply with all applicable modern slavery laws and any other laws relating to anti-slavery and human trafficking; and
- that no supplier or any member of its personnel has engaged in, or will engage in, modern slavery.

Suppliers must also confirm that they have:

- thoroughly investigated their labour practices to ensure there is no modern slavery use anywhere in their operations or supply chain; and
- put in place all necessary processes, policies, procedures, investigations, and compliance systems (including training) taken, and will take in the future all necessary actions and investigations to validate these findings.

Contract assurance reviews

Stockland conducts contract assurance reviews as part of the procurement process. Contract assurance reviews are conducted when a construction contractor is on-boarded to a project. The review considers procurement, engagement and administration of the contract.

In FY24, Stockland introduced a modern slavery component into its contract assurance review process. This involves directly liaising with contractors on modern slavery practices including assessing modern slavery awareness of a contractor's direct suppliers and subcontractors as well as assessing onsite practices including confirming there are no cash in hand payments and each employee and subcontractor has adequate training on what constitutes modern slavery practices in construction.

Topics also covered in the review include queries on awareness of Stockland policies and the provision of grievance mechanisms and multilingual information for non-English speaking workers.

Supplier assessment questionnaire

In collaboration with the Property Council of Australia (PCA), industry experts and other PCA member groups, we developed a property industry modern slavery supplier assessment tool hosted by Informed 365 (I365), which provides a supplier assessment questionnaire (Assessment). The Assessment allows suppliers to provide their response to all clients on the same platform, increasing transparency and efficiency in data sharing. The Assessment considers aspects such as supplier risk areas, policies and procedures, training and supplier engagement.



The Assessment asks suppliers to complete pertinent questions on modern slavery focusing on awareness of modern slavery, the scope of policies regarding supply chain transparency, and subcontracting activities. This helps us establish a baseline for our due diligence, increase our understanding of how we can support our suppliers and encourage continuous improvement.

Where potential issues are identified, we work and engage with the supplier to learn more about the issue and implement mitigation and monitoring strategies through corrective action plans (refer to our cleaning and security contractor assessment program).

Termination of a supplier contract will be considered in instances where suppliers do not meet minimum requirements of their corrective action plan or are otherwise unwilling to work with us to improve their performance.

FY24 assessment findings

The results of our FY24 supplier assessment represent the categorisation of our suppliers as at 30 June 2023 (as per categories on page X). Due to the large number of suppliers within our Category B (low spend, high risk) and Category C (high spend, low risk) areas, we limit our scope to suppliers above a spend threshold and those with repeat business with Stockland. In FY24, we increased the spend threshold from \$10,000 to \$50,000 to focus on the repeat suppliers.

Furthermore, we excluded Category D suppliers from the Assessment as they are low risk and low spend. The change in scope in FY24 resulted in the number of suppliers surveyed decreasing by 30% and the total direct spend assessed was 61%. Suppliers were asked for the first time if their business leaders or boards have received training on Human rights and Modern slavery risks.

Based on this sample selected of the surveyed suppliers:

- 58% completed the assessment, representing 92% of our total spend within the surveyed categories.
- 94% of Category A (high risk, high spend) completed the assessment. The remaining supplier partially completed the assessment with the partial completion analysed in the results.
- 54% of Category B (high risk, low spend) and 62% of Category C (high spend, low risk) completed the assessment,
- 100% of large spend suppliers (Category A and C over \$5m spend) acknowledged awareness and understanding of the modern slavery legislation
- 53% of suppliers have shown they have mapped or are preparing to map their own tier one supplier as a minimum over the next 12 months
- 67% of suppliers indicated that they have or will within 12 month a grievance mechanism to provide their employees opportunities to raise any human rights or modern slavery issues
- 74% surveyed indicated that training has, or soon will be undertaken to raise awareness of where modern slavery may exist in their supply chains.

Targeted due diligence

Solar Panel Due Diligence

In August 2023, Stockland released its Climate Transition Action Plan containing its decarbonisation pathway. Core to this pathway is the use of rooftop solar across Stockland assets to generate renewable energy. As outlined in prior Modern Slavery Statements, solar panels have been identified as an at-risk product for modern slavery¹ with risks linked to forced labour.

While the transparency of forced labour practices in the solar panel supply chain is difficult to assess, particularly around the point of raw material extraction and manufacturing stages that occur outside of Australia, we have put in place a process that seeks identify and eliminate potential modern slavery risks.

In FY24, we took multiple steps to enhance our approach to solar panel procurement and partnering. In July 2023, we required solar panel tenderers to provide a SEDEX Members Ethical Trade Audit (SMETA) four-pillar audit (which includes labour standards, health and safety, environmental assessment and business ethics) conducted within the last 12 months from their Solar Module Original Equipment Manufacturer (OEM). A reputable independent auditor accredited to undertake SEDEX audits undertook a series of factory visits and interviewed a range of OEM staff to produce these audit reports.

According to the audit reports from the independent auditor they did not find any evidence of forced, bonded or child labour in any of the four suppliers audited. According to the report factories visited had policies and/or procedures in place that were designed to reduce the risk of forced labour, child labour, discrimination, harassment and abuse. All factories had the presence of a workers' union and workers felt free to suggest changes or make complaints via suggestion boxes or union representatives.

Stockland subsequently established a list of approved and non-approved solar suppliers.

In December 2023, Stockland announced a new partnership with distributed energy resources company Energy Bay to operate and manage the provision of solar energy across our property portfolio with ~45 megawatts peak (MWp) of solar energy generated on the rooftops of Stockland's shopping centres and logistics assets. This partnership includes Energy Bay installing an additional ~29 MWp of solar infrastructure on Stockland rooftops. This means that Energy Bay, not Stockland, will be directly procuring the solar panels for these large scale retail town centre and logistics asset installations.

In an effort to address this procurement shift, as part of the partnership Energy Bay completed our tailored Solar Supplier Assessment Questionnaire including queries on forced labour in supply chains. The assessment also confirmed that their preferred panel supplier was on our approved supplier list.

Stockland included its modern slavery legal precedent clause in the partnership agreement including audit rights. We will continue to engage with Energy Bay on modern slavery matters as industry guidance and best practice become available.

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¹ Walk Free 2023, The Global Slavery Index 2023, Available from: <https://walkfree.org/global-slavery-index/>

Cleaning and security contractor assessment program – Year 5

Our cleaning and security contractors account for our largest operational contractor spend and, therefore, form a central focus of our services contractor due diligence program.

The Australian commercial cleaning and security industries have historically been identified as higher risk for modern slavery, with reported cases of poor working conditions including underpayment, excessive working hours, withholding of wages and in some instances, sexual harassment. While these forms of exploitation may not constitute modern slavery in isolation, they can be signs of more severe forms of exploitation such as forced labour.

The risks within these industries are driven by various factors, including:

- the use of multi-layered sub-contracting and use of labour hire which limit oversight of working conditions
- the use of sham contracting, in which employers hire workers as contractors
- the complexity of contracting and sub-contracting relationships across these industries, and the nature of the work, which is commonly lower skilled, labour intensive and often utilises migrant labour, and
- aggressive price competition¹.

In FY24, Stockland had thirteen cleaning and security contractors across its retail town centre, logistics and workplace assets. In FY24, we undertook a detailed assessment of one new contractor following their engagement in July 2023 for services at two of our retail town centres. The remaining 12 contractors have been working on Stockland sites for multiple years and have previously participated in the assessment process.

The assessment followed our co-delivery model introduced in FY23 which has enabled the transition for Stockland to establish robust internal processes and take leadership of the contractor due diligence process. Ernst and Young (EY) remained engaged to provide expertise to perform Enhanced Due Diligence procedures regarding contractor payroll assessments.

The co-delivery assessment included:

- Desktop pre-assessment using PCA questionnaire conducted by Stockland including a Know Your Customer (KYC) check
- Head office assessment and interviews conducted by Stockland
- Stockland site visits and interviews conducted by Stockland
- Third party contractor payroll assessment conducted by EY.

In addition to the assessment of the contractor, we also followed up on corrective action plans from prior assessments to check on progress to date regarding improvement recommendations.

Findings from FY24 Contractor Assessment

There were no significant issues identified through the course of the Head Office interviews and site visits undertaken by a Stockland assessor, however opportunities for improvement were identified regarding overall management controls and workplace health and safety processes, examples include the provision of training, standard operating procedures relevant to work being undertaken on site.

The payroll assessment identified two 'systematic or high-risk issues' regarding reasonableness check of employee working hours. Several Part Time / Casual employees who worked in excess of 80 total hours per fortnight (e.g., between 82.5 to 132 hours) due to employees accepting additional shifts. While the risks identified are not instances of modern slavery the lack of controls and communication regarding these requests resulted in employees working potentially excessive hours.

The second issue identified was in regard to assessing lead indicators that may result in underpayment. A review of hourly rates within the Security Services Industry Award or Individual Flexibility Agreements (IFA) was conducted. The review of terms identified that there was potential that employees on an IFA have less payment flexibility with regard to hourly rates for day, night, overtime and public holidays. An area of potential risk arises if there are no controls in place to monitor excessive hours (identified in the first issue).

During previous assessments, sub-contracting and payment practices were escalated and investigated. It has been noted that this was not a component of this year's assessment due to the contractor not engaging subcontractors for work undertaken.

Following delivery of the final findings and recommendations to our contractor, we will establish quarterly reviews to monitor implementation of a corrective action plan. The contractor will then be included in the Year 6 assessments for an independent review.

Overall engagement findings

Contractor Due Diligence assessments commenced in 2020 and have continued annually with FY24 being the fifth year of assessments being undertaken. Throughout the five-year period there has been significant improvement by contractors actively engaged in the processes. Evidence shows that the development of valued partnerships with Stockland contractors has improved findings and a decrease in payroll errors.

We have seen an increase in the awareness of modern slavery across many of our contractors, with actions taken including the establishment of roles, responsibilities, and accountability in managing modern slavery and human rights risk.

There has been improvement in contractors' understanding of the modern slavery risk profile of their own supply chains, and others developing, updating or implementing:

- supplier codes of conduct
- procurement contracts
- subcontractor auditing programs
- training for workers in their organisation with completion rate oversight.

¹ Cleaning up their Act?: Modern Slavery Due Diligence in the Australian Property Sector - ACCR



Overall, subcontracting has reduced at our assets in the last reporting period by approximately 20% and we will continue to survey and monitor subcontracting practices.

There remains opportunities for ongoing improvement with contractors on-ground issues including but not limited to ensuring employees have visibility and access to grievance mechanisms and ongoing transparency and oversight of subcontracting arrangements including payroll compliance.

FY25 assessment program

Stockland will continue to run its co-delivery model whereby Stockland will lead the assessment process and engage specialist support to undertake detailed payroll assessments. In FY25 we will seek to assess four cleaning contractors across 10 sites and three security contractors across eight sites. The selection of contractors has been based on:

- value of annual spend
- period of time since their last assessment
- geographical spread of locations (assessments will be undertaken across all states, metropolitan and regional locations included)

In FY25, we will conduct a tender process for cleaning and security services across our operational assets. Potential tenderers will be screened using our Know Your Customer assessment and tender criteria topics will include modern slavery, sustainability, and subcontracting.

How we assess the effectiveness of our risk management approach

- Monitor the number and range of suppliers who have been issued and have completed the assessment, the corrective action plans implemented, and actions completed
- Year-on-year improvements in Category A awareness and modern slavery plans and action
- Regularly engaging with suppliers beyond initial assessment via the I365 Self-Assessment, to identify points of improvement within the process and track awareness levels
- Year-on-year improvement in cleaning and security contractors as a result of audits
- Leverage our asset teams as early identifiers of issues that may indicate modern slavery risk.

Grievance mechanisms and remediation

Stockland is committed to conducting our business in accordance with our values of Community, Accountability, Respect and Excellence, and with consideration to our stakeholder expectations. We encourage employees and external stakeholders to report any improper conduct they encounter. All complaints are investigated in a fair and objective manner, including the involvement of external parties where appropriate.

Grievance mechanisms

Stockland employees or external stakeholders who wish to report improper conduct anonymously can do so via:

- the **'Tell Me'** online whistleblower channel, or -
- Stockland's external and independent whistleblowing service provider **'Your Call'**.

Tell Me is one of Stockland's whistleblower channels. It is a way for employees or stakeholders to raise concerns regarding any improper state of affairs or conduct. People have the option of raising concerns anonymously or identifying themselves. Stockland's Whistleblower Protection Officers handle all concerns confidentially.

Your Call is an independent whistleblowing service provider. Stakeholders that are not comfortable or able to disclose a Disclosable Matter internally, may report to Stockland's external and independent whistleblowing service provider. Your Call receives and manages the report with impartiality and confidentially. This option allows people to:

- remain completely anonymous
- identify themselves to Your Call only, or
- identify themselves to both Your Call and Stockland.

Your Call also provides translation services and remains the intermediary at all times, receiving and forwarding communication between all parties, including Whistleblower Protection Officers. Specific details are supplied in our [Whistleblower Policy](#).

Whistleblowing posters are displayed in our offices and assets on staff and contractor notice boards.

We also welcome feedback from securityholders and customers through our website at www.stockland.com.au/contact-stockland

Remediation

We recognise that effective modern slavery remediation is a complex multi-stakeholder process, and that rights-holders must be at the centre of the remediation process.

In 2023, Stockland developed a remediation process to support instances of modern slavery. The process was developed using 'Remediating Modern Slavery in Property and Construction: a practical guide for effective human rights remediation' which offers practical information to help businesses better address modern slavery, particularly within the property and construction sector in Australia.

Our Remediation procedure involves five key steps:

1. **Safeguarding rights-holders** - safeguard rights-holders and their human rights
2. **Identifying harm** - determine the extent of Stockland's involvement with modern slavery
3. **Using leverage** - apply Stockland's leverage to effect change in the business practices causing modern slavery
4. **Making things right** - determine which modern slavery remedies are most appropriate to correct the harm, and which stakeholders to involve
5. **Preventing harm** - prevent harm by changing or improving existing systems to stop modern slavery from happening again.

In FY24 we conducted our inaugural modern slavery remediation workshop to test the application of the procedure. The workshop included key internal stakeholders from our Risk, Legal, Project Management, Operations, and Sustainability teams responding to a hypothetical modern slavery scenario specific to our operations and supply chain.



The scenario was designed to:

- increase participant awareness and familiarity with Stockland’s remediation process
- test the applicability of Stockland Modern Slavery Remediation Procedure against risks of modern slavery practices including Stockland’s involvement to **cause, contribute** to, or be **directly linked** to modern slavery through its operations and supply chains
- identify opportunities for improvement to supporting processes, capabilities, systems, and reporting.

The workshop reinforced that effective modern slavery remediation is a complex multi-stakeholder process which rights holders must be at the centre of the process. By utilising a hypothetical scenario, relevant stakeholders gain insights into how to respond to real-life situations involving instances of modern slavery. We will run annual scenario workshops to test our remedial procedure.

How we assess the effectiveness of our grievance mechanisms and remediation

- Monitor frequency and trends of whistleblowing channels
- Investigation and timely rectification of issues raised
- Use of scenarios to test our remediation procedure



Stockland Piccadilly, NSW

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Stockland Modern Slavery Awareness e-Learning

To help foster positive change towards this issue more broadly, Stockland employees are required to complete our bespoke and in-house modern slavery e-Learning module.

Originally developed in 2021, our e-Learning training details our governance arrangements, including the various escalation and reporting channels for suspected breaches so that incidents, once identified, are directed to the appropriate people who can address them.

The e-Learning resource was updated in 2023 to include the latest contemporary information available from the Global Slavery Index (Walk Free), and important links to our internal modern slavery intranet hub, which includes our supporting modern slavery resources, procedures and templates.



The **Global Slavery Index**, produced by Walk Free, provides national estimates of modern slavery for 160 countries. Its estimates draw on thousands of interviews with survivors collected through nationally representative household surveys across 75 countries and our assessment of national-level vulnerability.

Importantly, the interactive e-Learning module advocates a ‘call for action’ whereby all participants are encouraged to be an anti-slavery champion through focussing on the following actions to combat modern slavery:

- Be informed about the different forms of modern slavery
- Understanding Stockland’s approach to modern slavery, including supporting policies and procedures
- Reducing your own personal modern slavery footprint via ethical procurement choices
- Learning to spot the signs of modern slavery and knowing how and where to report them.

Over 98% of Stockland employees and 96% of our eligible temporary or vendor workforce completed their training in 2024.

Construction Industry Roundtable

During FY24, Stockland and Mirvac jointly hosted a national roundtable with key suppliers covering various disciplines and scale across our construction business.

This roundtable was independently chaired and sought feedback from participants on topics including:

- Identifying the opportunities and barriers facing each of the participating organisations

- Understanding how partners might assist with helping achieve progress with managing the risk and reporting obligations.
- Insights on what needs to change to improve human rights and modern slavery issues more broadly across the industry.

This roundtable represented an opportunity for suppliers to share what they were hearing across their sectors and was designed to help us understand key actions being undertaken to address modern slavery across a cross-section of our construction supply chain.

Key insights from these discussions included:

- most businesses are at a different stage along their journey of addressing modern slavery risks, ranging from initial foundational policy formulation to more sophisticated resources and capabilities to manage the risk.
- sub-contracting of projects and labour contracting remains a higher risk of exploitation, mainly because it can be difficult to maintain transparency through complex, sub-contracted supply chains.
- some areas of higher risk of harm to people are better known, for example sourcing from countries known for low-cost labour considered as ‘higher risk’.
- supply chain transparency beyond their suppliers’ suppliers (Tier 2) continues to be challenging, even when information via assessments, surveys or platforms exists.
- some organisations are seeing more success when aligning human rights and modern slavery issues with other social and sustainability topics.
- communication around human rights and modern slavery should be clear and more consistent, especially if reaching out to people from a culturally and linguistically diverse background.

These insights and supplier engagement will help us to revise and focus our program approach in FY25.

Through proactive engagement with suppliers, the initiative provided participants with further information and resources including online learning modules available through the Supply Chain Sustainability School, a free online learning hub for the property, construction and infrastructure sectors, and other educational resources provided by the PCA about human rights and modern slavery.

Stockland looks forward to re-engaging with the suppliers and continue to share progress updates and collective experiences around managing modern slavery risk.



Stockland Modern Slavery Newsletter

In FY24, Stockland shared its first Modern Slavery Information Newsletter with over 3,000 suppliers focused on where to find help if suppliers find any modern slavery practices in their supply chain and links to training, including the Sustainability Supply Chain School.

Importantly the newsletter contained a list of grievance mechanisms that supplier can utilise and share with employees or their own supply chains including, our 'Tell Me' whistleblower channel, the Anti-Slavery Australia, Australian Catholic Anti-Slavery Network, Domus 8.7 and the Australian Red Cross, Human Trafficking and Forced Labour support program.

The newsletter will provide a range of information, updates, resources, and actions suppliers can take to support efforts against modern slavery and is proposed to be send on a six-monthly basis.



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Industry collaboration

Stockland is a member of the Property Council of Australia's (PCA) **Human Rights and Modern Slavery Working Group** ('Working Group') alongside other property companies and non-government organisations.

The Working Group met regularly through FY24 to collaborate around how Australia's property and construction sector can assess and address modern slavery risks. Key topics discussed included:

- Due diligence, supply chain engagement, auditing and verification.
- Grievance mechanisms and remediation
- Just transition and renewable energy value chains
- Legislation and changes to reporting requirements
- Modern slavery education and awareness
- Risks of harm to people through modern slavery and indicators of vulnerability.

Within the year, the Working Group (in conjunction with Edge Impact) developed the '**Pathway to Respecting Human Rights and Addressing Modern Slavery Risks**' resource. The resource was released in March 2024 and provides property and construction businesses and their suppliers practical and actionable steps for respecting human rights and tackling modern slavery, no matter the size of business or level of experience.

Across ten clear steps, the resource provides actions, case studies and links to 58 best-practice online resources that can support businesses and their suppliers towards awareness, engagement, and continuous improvement regarding human rights. This new resource follows a similar format to the successful 'Grievance Mechanisms Guide' and 'Effective Remediation Guide' resources delivered by the Working Group in 2022.

Other collaborative initiatives undertaken by the Working Group included a review of Modern Slavery Contract Clauses and Supplier Codes of Conduct, which has compared contract clauses around human rights and modern slavery and enabled assessment against publicly available state and federal examples.

This collaboration aims to support greater consistency for suppliers and encourage engagement around modern slavery risks. Stockland also participated in a review of Modern Slavery Statements by independent, expert academic advisors. This proactive engagement has helped to examine broad trends and areas for improvement.

We also continue to be a member of the United Nations Global Compact Modern Slavery Community of Practice.





Progress and priorities

In 2023 the Modern Slavery Working Group set its 2023 – 2026 Strategic Plan. The Working Group has set actions for these priority areas to be delivered over three years, some to be completed each year. The Working Group periodically monitors its progress against the agreed actions and reviews actions required.

Our strategic priorities

• Education and knowledge

Promote awareness, understanding, and knowledge of modern slavery across our organisation and supply chain and build people’s capacity in identifying and responding to modern slavery issues. *(Aligned to criteria 3 & 7)*

• Technology and systems

Leverage technology and systems to enhance transparency, traceability, and accountability throughout our organisation and supply chain. *(Aligned to criteria 4)*

• Risk assessment, due diligence and remediation

Conduct thorough and meaningful risk assessments and due diligence to identify and address modern slavery risks across our operations and supply networks. *(Aligned to criteria 2, 3 & 4)*

• Stakeholder engagement and collaboration

Proactively engage internal and external stakeholders and foster collaboration to collectively address modern slavery *(Aligned to criteria 4)*

• Performance and effectiveness

Measure, monitor, and improve the effectiveness of modern slavery initiatives across our operations and supply chain *(Aligned to criteria 5)*

• Governance and leadership

To lead by example, beyond legislative requirements, to ensure strong governance and a commitment to combat modern slavery. *(Aligned to criteria 2 ,4, 6, 7)*

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Education and knowledge

Develop training / communication initiatives to educate employees and suppliers about modern slavery risks, indicators, and responsible business practices.

COMPLETED in FY24

Review our internal training program /resources to ensure they remain relevant and user centric.

COMPLETED in FY24

Ensure Modern Slavery related resources, toolkits and information are inclusive, easy to understand and available in a central hub.

ONGOING

Collaborate with external stakeholders and industry peers to share best practices and knowledge on combating modern slavery within organisations and their supply chains.

COMPLETED in FY24



Technology and systems

Adopt and streamline technology /systems to integrate and link modern slavery DD at supplier procurement and onboarding stage.

ONGOING

Build internal capabilities to scale supplier engagement efficiently and effectively.

ONGOING

Collaborate with technology partners and industry associations to assess emerging responsible sourcing technologies, tools and systems.

ONGOING



Risk assessment, due diligence and remediation

Develop processes to support supply network mapping to better identify points of Modern Slavery risk and management focus.

COMPLETED in FY24

Expand our internal audit program and capabilities proportionate to the level of risk across all asset classes.

ONGOING

Review Stockland's grievance and remediation mechanisms to ensure they remain fit for purpose and accessible to stakeholders and partners, i.e., Domus 8.7.

COMPLETED in FY24

Ensure specified issues of concern are identified and appropriate risk mitigation and remediation plans are implemented as operational practice.

ONGOING



Stakeholder engagement and collaboration

Continue to engage with industry peers and participate in multi-stakeholder initiatives to identify and develop strategies to prevent or minimise modern slavery.

COMPLETED in FY24

Continue to engage with NGOs and relevant government bodies to address and/or remediate modern slavery issues.

COMPLETED in FY24

Create processes to respond to instances of nonconforming supplier product and services (and potential precursor to remediation).

ONGOING



Performance and effectiveness

Develop portfolio of performance metrics to measure and inform the effectiveness of our activities and initiatives.

ONGOING

Integrate Modern Slavery Contractor Assurance Reviews (CARS) within our regular contract assurance process with suppliers.

COMPLETED in FY24



Governance and leadership

Demonstrate Stockland's Modern Slavery leadership and values via the Modern Slavery Working including responsibility for overseeing the implementation of the strategy, monitoring progress, and ensuring compliance with legal requirements.

COMPLETED

Ensure our Modern Slavery Working Group arrangements continue to be fully representative to ensure effective oversight and accountability across Stockland.

COMPLETED in FY24



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