

Modern Slavery  
Statement  
30 June 2023



# 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 161. 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	<a href="#">02</a>
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	<a href="#">02</a>
Describe the structure, operations and supply chains of the reporting entity	<a href="#">05</a>
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	<a href="#">09</a>
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	<a href="#">09</a>
Describe how the reporting entity assesses the effectiveness of such actions	<a href="#">15</a>
Any other information that the reporting entity considers relevant	<a href="#">16</a>



# From our Chairman and Managing Director & CEO

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## Dear Securityholders,

At Stockland, we are guided by our purpose, a better way to live, a core tenet of which is that every individual is free from slavery and exploitation.

It concerns us that global estimates of modern slavery are on the rise, with reports indicating significant increases in forced labour and forced marriage over the last five years.

The latest *Global Estimates of Modern Slavery* report reveals that in 2021, around 50 million people were living in situations of modern slavery, of which 28 million were subjected to forced labour<sup>1</sup>. Australia is not immune from these practices with 41,000 individuals living in modern slavery on any given day in 2021, equivalent to 1.6 people for every thousand in the country.<sup>1</sup>

We are focused on addressing modern slavery risks across our operations and supply chain. Our FY23 Modern Slavery Statement builds upon previous year's efforts, reflecting the steps we have taken to identify, assess, and address modern slavery risks.

One of our key focus areas in FY23 has been enhancing our internal capabilities. Tackling modern slavery necessitates empowering our frontline employees to identify risks, and working in close collaboration with our suppliers and our partners. Our teams, with the support of specialists, focused on persistent risk indicators including payroll compliance and subcontracting in cleaning and security and promoted further education with our suppliers and industry.

As part of our refreshed Environmental, Social and Governance (ESG) Strategy and Climate Transition Action Plan, we are focused on accelerating the decarbonisation of our portfolio, which involves the widespread adoption of large-scale solar photovoltaic (PV) systems.

We acknowledge the need for a just transition in our decarbonisation journey, which entails detailed consideration of modern slavery risks within our solar PV supply chain.



## We acknowledge the need for a just transition



To address this, we have collaborated closely with our partners to develop an additional check in our solar PV supply chain, requiring our suppliers to scrutinise the materials manufacturers and sources of their solar panels.

We are focused on enhancing our modern slavery assessment process and continue to actively engage and collaborate with industry partners, non-governmental organisations (NGO) and specialists to contribute to an economy free from slavery and exploitation.

We are thankful for the guidance and work that has been completed over the course of FY23 and previous years, and we will continue to work diligently towards a future where every individual can live a life of security and freedom.

Tom Pockett  
Chairman

Tarun Gupta  
Managing Director and CEO

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

# FY23 progress



## Awareness

Recorded significant increase in supplier awareness and understanding of modern slavery

Read more on [10](#)



## Education

Recorded a 95% vendor and temp completion rate on Stockland Modern Slavery Awareness e-learning module

Read more on [06](#)



## Due diligence

Incorporated a third-party ethical trade audit into solar supplier assessments

Read more on [10](#)



## Collaboration

Collaborated with industry peers to develop sector guidance on effective human rights remediation

Read more on [14](#)



## Engagement

Maintained 100% assessment rate for our high risk, high spend (Category A) suppliers

Read more on [10](#)



## Risk assessment

Internalised our cleaning and security supplier assessments to strengthen employee oversight and engagement

Read more on [12](#)



## Governance

Refreshed the Modern Slavery Strategy future priorities.

Read more on [16](#)



## Effectiveness

Worked closely with suppliers to resolve key assessment findings from FY22

Read more on [10](#)



# About Stockland

## 'A better way to live'

At Stockland, our purpose 'a better way to live' drives every aspect of our business. 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 encompassing human rights, labour, environment and

anti-corruption measures. We are also proud participants of the UNGC Modern Slavery Community of Practice, further underscoring our commitment to combatting modern slavery.

Our dedication to sustainable progress extends to supporting the UN Sustainable Development Goals, including 'Goal 8 – decent work and economic growth'.

## Our structure and operations

For more than 70 years we have been creating and curating communities with people at the heart.

Established in 1952 and headquartered in Sydney, Australia, we operate wholly within the country. As one of Australia's largest diversified real estate groups, our portfolio consists of \$15.5 billion<sup>1</sup> in real estate assets and a ~\$40 billion<sup>2</sup> development pipeline as at 30 June 2023. 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 multifaceted business ranges from residential and land lease communities, to retail town centres, workplaces, and logistics assets. Through this diverse range of offerings, we are building on our legacy of helping more Australians achieve home ownership while creating vibrant, energetic and sustainable places that enrich lives. Our portfolio as at 30 June 2023 is represented below.

Commercial Property \$10.5bn <sup>1</sup>			Communities \$3.1bn <sup>2</sup>	
Logistics	Workplace	Town Centres	Masterplanned Communities	Land Lease Communities
27%	13%	38%	17%	5%
26 assets	10 assets	20 assets	~68,000 lots remaining	~9,200 home sites

1. Net Funds Employed (NFE). Excludes WIP and sundry properties of \$0.6bn.  
2. Includes NFE of: Masterplanned Communities \$2.4bn, Land Lease Communities \$0.6bn and other assets \$0.1bn.

<sup>1</sup> Carrying value as at 30 June 2023. Includes WIP & sundry properties. Includes cost to complete provisions and grossed up deferred land and option payments.  
<sup>2</sup> Total development pipeline as at 30 June 2023 – includes project in early planning stages, projects with planning approval and project under construction.

## Our workforce

**With a workforce of over 1,600 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.

Stockland employees are required to complete our bespoke, in-house modern slavery module to help foster positive change towards this issue. Of our employees, 98% of our internal workforce, and 95% (up from 70% on FY22) of our temporary or vendor workforce completed their training in FY23. This training is now mandatory for our temporary and vendor workforce.

The module identifies risk indicators of modern slavery using practical scenarios relevant to Stockland's industry sector, products and services. The scenarios demonstrate how Stockland can potentially cause, contribute to, or be directly linked to modern slavery through its extensive operations and supply chains.

In addition, the 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.

Employment status at 30 June 2023	Employees
Full time	1,488
• Permanent <sup>1</sup>	1,406
• Fixed term <sup>2</sup>	82
Part time	128
• Permanent	118
• Fixed term	10
Casual <sup>3</sup>	19
<b>Total Stockland headcount</b>	<b>1,635</b>
Temporary or vendor workforce operating in or part of the business <sup>4</sup>	497

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

**In FY23, we procured over \$2 billion of goods and services from over 3,400 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.**

Overall, approximately 71% 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 98% 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.

The complexity of this extended supply chain poses a risk, especially concerning 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.

## Top five FY23 spend categories

Category (Excl. Rates & Taxation)	% spend
<b>Civil construction</b>	<b>38%</b>
<b>Corporate</b>	<b>20%</b>
• IT Equipment	1.3%
<b>Building</b>	<b>26%</b>
<b>Facilities management</b>	<b>9%</b>
• Industrial cleaning services	2.1%
• Security and safety	0.9%
<b>Professional Services</b>	<b>7%</b>



# Governance

## Governance structure

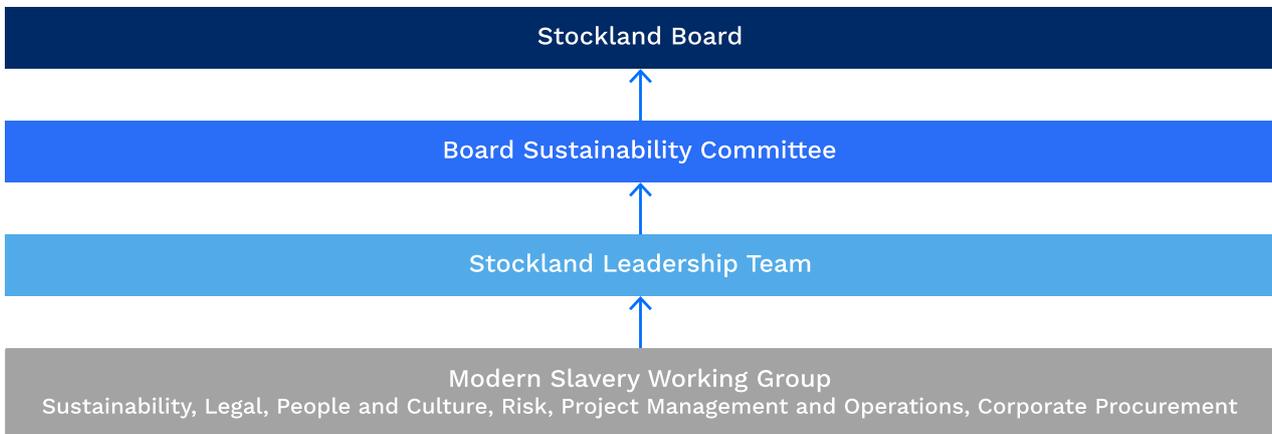
Stockland's Board has responsibility for establishing a framework of risk management across Stockland. In FY22, the Board delegated oversight of risk relating to modern slavery from the Risk Committee to the Sustainability Committee as part of its responsibility to 'consider the sustainability impacts of Stockland's business activities including social, environmental, and economic impacts'.

The 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 shift in the mandate has assisted in building an integrated view of ESG risks and opportunities across our 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 Group Head of Sustainability and Delivery and the Group Risk Officer, the Working Group meets eight times per year and includes representatives from across the business including Sustainability, Legal, People and Culture, Risk, Corporate Procurement, Project Management and Operations. In FY23, the Working Group refreshed its strategic priorities which aim to enhance the effectiveness of Stockland's risk assessments and engagement.



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## 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 within our **Governance Management Approach**. 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.

Guided by our **What Stockland Expects from its Suppliers Policy**, we are dedicated to responsible procurement and expect our suppliers and their supply chains to operate in a manner consistent with Stockland's values, objectives and relevant legislation. The policy states our expectation that our suppliers and their supply chains implement appropriate labour policies across their organisations with the goal to eliminate all forms of modern slavery.

As part of our onboarding process since August 2020, we require formal acknowledgement from our suppliers that they have read, understood, and will comply with this policy. Additionally, we have initiated a program to obtain formal acknowledgement from suppliers onboarded before August 2020.

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.**

### Supply chain management

Given 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 rely on our project life cycle process for development projects (D-Life).

D-Life identifies and incorporates 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 out the minimum sustainability, environmental and social requirements of our suppliers during the tender and project delivery processes.

To reinforce our commitment, our Stockland-distributed procurement contracts include a modern slavery legal precedent clause. This clause obligates 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.

We also retain audit rights within our Stockland-distributed contracts, which extend to a supplier's direct subcontractors.

## Whistleblowing at Stockland

Stockland encourages 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. Stockland employees or external stakeholders who wish to report improper conduct anonymously can do so via the 'Tell Me' online form or via Stockland's external and independent whistleblowing service provider (details are supplied in the **Whistleblower Policy**). Whistleblowing posters are displayed in our offices and assets on staff and contractor notice boards.



# Risk management and due diligence

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## Risk assessment

We recognise that the first step to achieving effective and successful modern slavery risk reduction is to thoroughly understand our risk-profile. We have achieved this through an in-depth risk assessment, with our approach built upon two key pieces of assessment a Group-wide human rights issues review and a detailed modern slavery risk assessment.

Our **human rights issues review** 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.

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

Across the social risks identified within our industry and country, we found the most prevalent contributors related to modern slavery are child labour, forced labour, excessive working hours, unsafe working conditions, exploitation of migrant labour, and human rights and governance issues. We then determined where in our supply chain we may be causing, contributing to or be directly linked to these contributors to modern slavery.

### 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.

### 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*<sup>1</sup>: *Directly linked to* Labour conditions, forced, bonded or child labour in the supply chain of building products such as solar panels.

The assessment also involved dividing our spend into 45 procurement categories, each screened for five social risk categories: labour rights and decent work, health and safety, human rights, governance, and community infrastructure. These categories allowed us to identify 'high risk' procurement areas. Based on the outcomes of the risk assessment and coupled with a literature review to identify evidence of modern slavery occurring in Australian supply chains, we categorised our suppliers into four priority assessment groups. This categorisation 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.

**Category A** suppliers represent our high risk and high spend suppliers, **Category B** suppliers represent our high risk and low spend suppliers, **Category C** suppliers represent our low risk and high spend, and **Category D** suppliers represent our low risk and low spend suppliers, typically all our remaining suppliers. The below table is the categorisation of our suppliers as at 30 June 2023.

<sup>1</sup> Relating to creating and maintaining our assets

Supplier categorisation

Priority group	Share of spend	No. of suppliers	Definition	Examples
Category A	25%	26	High risk, high spend	Built form construction/maintenance contracts >\$5 million, cleaning
Category B	9%	1,172	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%	2,130	Low spend, low risk	All remaining suppliers

## Due diligence and remediation

### Supplier assessments

**We are dedicated to conducting robust due diligence processes to address modern slavery within our operations and supply chains. We do this by 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.

#### 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.

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.

### FY23 Assessment findings

The results of our most recent Assessment represent the categorisation of our suppliers as at 1 July 2023. We maintained our approach to Category A suppliers aiming for a 100% completion rate. Due to the large number of suppliers within our Category B and Category C risk areas, we limited our survey scope to those suppliers with over \$10,000 spend that have repeat business with Stockland. Furthermore, we exclude Category D suppliers from the Assessment as they are low risk and low spend.

The number of suppliers surveyed increased by 22% and pleasingly we achieved a higher completion rate from our suppliers compared to FY22. Based on this sample selected of the surveyed suppliers:

- 58% completed the Assessment, representing 97% of our total spend within the surveyed categories.
- 100% of Category A (high risk, high spend) suppliers were assessed, consistent with FY22
- 66% of Category B (high risk, low spend) and 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, an increase on FY22
- Category C suppliers saw the largest increase in their understanding of modern slavery and their involvement in education, training, and knowledge of modern slavery.



## New tailored solar supply chain assessments

As identified in our FY22 Modern Slavery (MS) Statement, reports highlighting vulnerability of the global solar supply chain to forced labour. The latest Global Slavery Index (2023) has also identified solar panels as an at-risk product for modern slavery<sup>1</sup>.

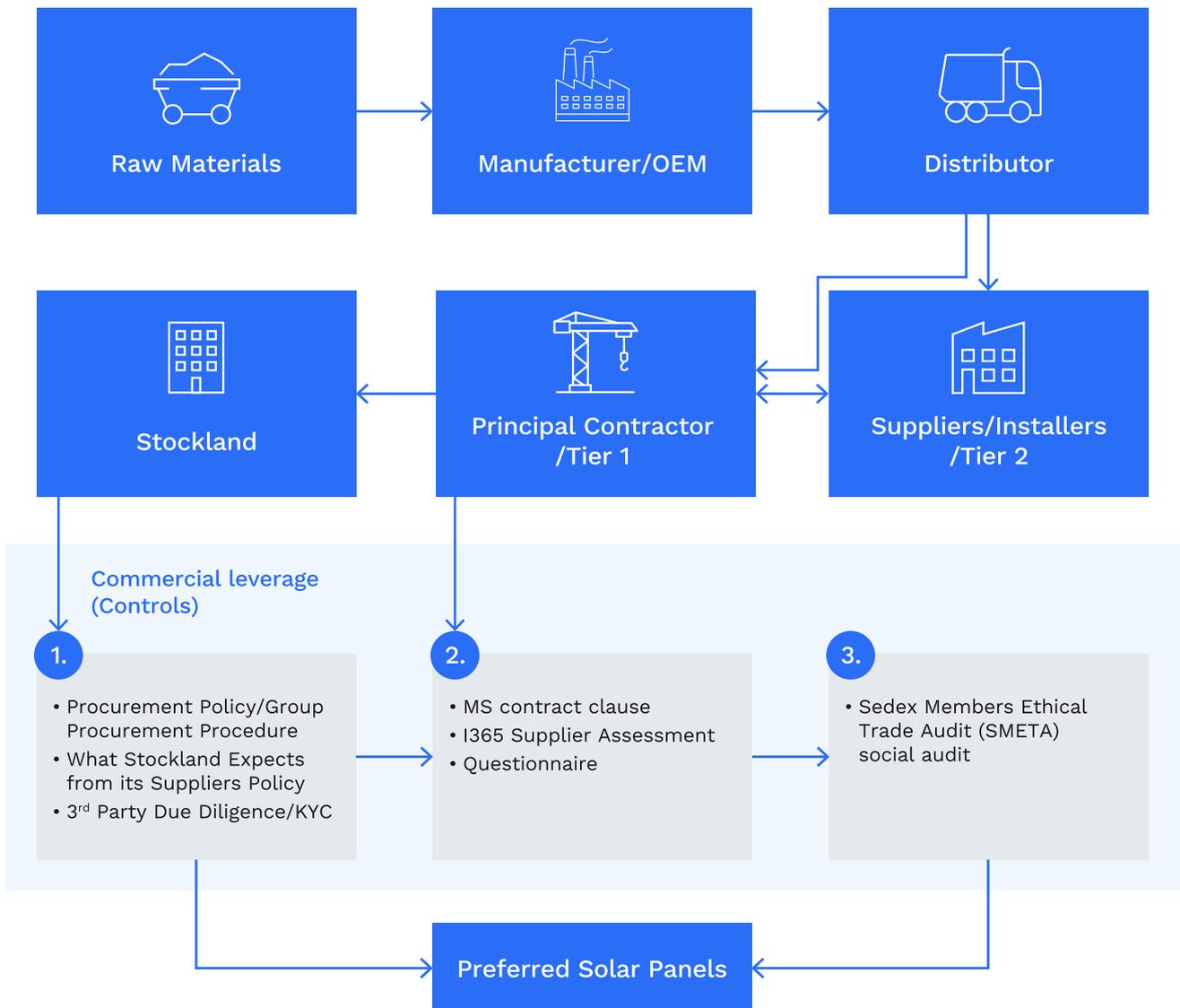
This issue requires a multi-faceted and multi-stakeholder approach, including manufacturers, direct suppliers, industry partners, and government working together to effectively manage the risk. Stockland is focused on using its commercial leverage at various points in its supply chain to help facilitate change where possible. As part of our project lifecycle process for development projects (D-Life), Stockland has established due diligence processes and risk controls outlined in the diagram below.

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.

To improve transparency across the broader supply chain, we are trialing a new approach for the procurement of solar panels at one of our retail centres. We have initiated as part of the tender process a requirement that prospective suppliers facilitate an independent third-party ethical trade audit of their solar panel supplier where their solar panels are manufactured.

By engaging with our supply chain earlier and further upstream, we have greater visibility and assurance that responsible and social ethical human rights practices are occurring at the point of manufacture. This approach will be extended to future solar installations across our asset classes. We also continue to work with the PCA on an industry response and action plan.

### Solar supply chain assessment process



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

## Cleaning and security contractor assessment program

Our services contractors play an important role in making our Town Centres, Workplaces and Logistics centres safe, desirable, and enjoyable places. Our cleaning and security contractors account for the 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 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. This heightened risk was underscored by a recent investigation by Unions NSW, highlighting concerns about the increasing exploitation of migrant workers, including those in the cleaning and security sectors.<sup>1</sup>

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 competition<sup>2</sup>.

In FY23, the issue of labour shortages continues to be more prevalent than prior years, prompting an increasing in sub-contracting to manage staff shortages.

### Year 4: Co-delivery model

We have transitioned to a co-delivery model for our modern slavery and human rights contractor assessment program. This involves part of our program being completed by Stockland personnel in an effort to further strengthen our on-going relationships with our contractors, and increase our oversight and management of modern slavery controls.

The program covers our Commercial Property operations and includes:

- desktop pre-assessment using PCA questionnaire including Know Your Customer (KYC) check and corporate scorecard evaluation
- on-site supplier head office assessment
- Stockland site visits
- Third party audit of contractor payrolls.

The assessment process is outlined on the next page.

In FY23, we increased the security contractor assessments to enhance our understanding of the sector. We provided

each supplier that was audited in FY22 with written recommendations resulting from the previous assessment program. To assess the outcomes of these engagements we conducted 21 sites visits across our Town centres, Workplaces, and Logistics centres, assessing 11 security contractor teams and 10 cleaning contractor teams across six companies.

## FY23 contractor assessment findings

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 several 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.

However, there remain opportunities for contractors to improve their management of on-ground issues including but not limited to worker access to anonymous multilingual grievance mechanisms and ongoing transparency and oversight of subcontracting arrangements including payroll compliance. As part of the third-party payroll, audit issues identified included incorrect hour rates and superannuation payments paid to employees.

In the process of last year's assessment, a matter pertaining to sub-contracting and payment practices was escalated and investigated. Management engaged with the relevant contractor including reviewing existing sub-contracting arrangements with monthly follow ups. This year's assessment showed that the contractor has made progress, with reduced discrepancies found during payroll testing and the development of a roadmap to roll out modern slavery training for management, with the ambition to increase awareness of modern slavery across the business. Key findings and learnings from this process have been shared across our operations.

In early FY24, we will be meeting with the contractors included in the process to share the findings of the assessment and to discuss the identified areas for improvement and further engagement under their own internal audit programs.

<sup>1</sup> Unions NSW and Immigration Advice and Rights Centre 2022

<sup>2</sup> Cleaning up their Act?: Modern Slavery Due Diligence in the Australian Property Sector - ACCR



Assessment topics



Modern Slavery and Human Rights

- Modern slavery
- Freedom of association
- Whistleblowing
- Fair treatment and non-discrimination
- Reporting and disclosure



Labour Compliance

- Right to work
- Third-party and subcontractor practices
- Payroll management and compliance
- Working conditions
- Fraud
- Diversity and inclusion



Workplace health and safety

- Policies practices
- Systems and processes
- Wellbeing and mental health

Phase 1

Contractors are required, via a desktop preassessment, to complete the PCA questionnaire and a selection of supporting questions developed in collaboration with our independent consultants. Included is a KYC check and an evaluation against our corporate scorecard. The information provided is assessed to form an initial view of the risks pertaining to modern slavery and human rights, payroll and labour relations, and health and safety management.

Phase 2

Risks are identified, either through responses to the questionnaire or based on prior year findings, contractors are engaged through an on-site head office supplier assessment to walk through their responses and control frameworks. This phase is supported by EY auditing of payroll compliance.

Phase 3

Stockland asset site visits are undertaken by Stockland for at least one site managed by each of the selected contractors using interview guides developed with EY. This enables the evaluation of the risks and controls based on the questionnaires and discussions with on-ground evidence, including worker interviews.

Phase 4

The contractor assessment team presents findings from the assessment to Stockland and, with support from EY, co-develop standalone reports for each contractor subject to the full scope assessment in order to assess findings and progress.

Remediation

Whilst we provide feedback to our contractors on completion of each assessment, we continue to discuss improvement opportunities and in certain cases corrective action plans where issues have been identified. Our asset-based employees are important stakeholders in the process of identifying human rights risks and implementing the actions needed to remedy them. Asset team management is briefed on the findings of the assessments and any asset-level improvement opportunities.

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. Over FY22 Stockland reviewed its Remediation process so it considers the appropriate actions required to assess,

investigate, and manage situations of modern slavery which may arise in our operations and supply chain. Our Remediation procedure involves five key steps<sup>3</sup>:

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.

<sup>3</sup> Our remediation steps are based on guidance within [Remediating Modern Slavery in Property and Construction: a practical guide for effective human rights remediation](#)

## Industry collaboration

### Property Council Modern Slavery Working Group

Stockland is a member of the Property Council of Australia (PCA) modern slavery working group, and values the opportunity to work closely with other industry partners to address the common challenges of modern slavery. Together, the working group continues to focus on industry-wide research, education, and collective responses to aspects of modern slavery management like grievance mechanisms, emerging risks, and remediation.

As a result of our collective partnership, several important guides and resources have been developed to better understand and address modern slavery in the property and construction sector in Australia. Most recently this has included [Remediating Modern Slavery in Property and Construction: a practical guide for effective human rights remediation](#), following on from [Listening and Responding to Modern Slavery in Property and Construction: A practical guide for effective human rights grievance mechanisms](#).

In addition, Stockland was also able to contribute (via the PCA working group) to the recent statutory review of the *Modern Slavery Act 2018* (Cth) (the Act) undertaken by the Attorney-General's Department and Professor John McMillan (lead reviewer). The outcome of the statutory review was the proposal of a number of recommendations for change which, if adopted by Government, will mark an important and substantial strengthening in Australia's efforts to combat modern slavery. Following the review, Stockland has commenced work to integrate the reports findings into its modern slavery strategy and forward-looking priority action plan.

### NGO collaboration

Stockland is an active participant in attending modern slavery related industry programs provided by matter experts. As an organisation we recognise the need to continually learn and educate ourselves in matters relating to modern slavery from people with extensive practical experience and knowledge in responding to modern slavery risks. Participating in and supporting events provided by NGO's and other expert bodies also helps to facilitate continuous improvement of our practices.

### Building Links by the Anti-slavery Taskforce: Training for our construction contractors

Stockland continues to offer the online training tool, Building Links, to engage our suppliers and assist them in understanding and managing risks and labour exploitation in the construction sector.

Due to the scale and complexity of construction jobs and the high rates of subcontracting, the sector has a higher exposure to modern slavery risks.

Our construction contractors increased awareness of the key indicators of exploitation means they can consider what checks and balances they may need on site in order to keep their sites free from modern slavery and identify potential risks.

The Building Links presentation is issued to our construction contractors, and they are encouraged to incorporate the training into their site induction or toolbox talk processes.

The Building Links program is administered by the Anti-Slavery Taskforce and aims to educate and increase awareness of the risks of modern slavery. It provides an avenue for reporting modern slavery concerns wherein workers or organisations impacted by modern slavery can call Domus 8.7 or use their anonymous Whispli app.

### Research and development collaboration

During 2022/2023, Stockland, along with four other property and construction leaders, a research team from the University of Melbourne (Australia), Willamette University (Oregon, USA), and sustainability advisory Better Sydney (Australia), participated in a research project on modern slavery risks through supply chains.

Called "*Improving modern slavery risk management and reporting in Australia's construction industry: Building Better Supply Chains*", the research is focused on three supply chains for labour and materials, and included interviews with suppliers through different tiers of our supply chains. Through these interviews and data analysis, the research team is investigating modern slavery risk management and reporting in Australia's construction industry to identify vulnerable points in Australian construction supply chains prone to modern slavery, and develop practices to mitigate these risks. The project is expected to be published in late 2023.



# Assessing effectiveness

We are responsible for the continuous improvement of our processes and actions taken to address modern slavery risks within all tiers of our supply chain, acknowledging this is an on-going process. The ways in which we measure effectiveness are listed below. Insights gathered from these measures inform our Modern Slavery strategy and the scope of work for the Working Group.

## Governance

- regularly reviewing our modern slavery approach conducted within the Working Group reporting to the Stockland Leadership Team, Sustainability Committee and Board
- training team members on the Act and associated risks
- requesting and monitoring feedback after supplier and employee training sessions
- including modern slavery provisions in relevant contracts
- consulting with relevant business units, entities and officers of the Stockland Group.

## Risk management

- monitoring 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

- monitoring frequency and trends of whistleblowing channels
- Investigation and timely rectification of issues raised.

## Ongoing engagement and feedback

We continue to be an active member of the United Nations Global Compact Modern Slavery Community of Practice and PCA Modern Slavery Working Group to:

- discuss the most pressing challenges and obstacles facing Australian business and the property sector with respect to managing and communicating modern slavery risks and implementing the Commonwealth Modern Slavery Act
- help provide a business and industry perspective, as appropriate, to related external discussions, including for example Modern Slavery Statements and collective input to any consultation around government guidance for the reporting requirement.

We also seek feedback on our modern slavery strategy, statement and progress from industry bodies and research and stakeholder groups.

# Future priorities

At Stockland we believe there is a better way to live, and that every person has the right to live free from slavery and exploitation. We are focused on working with our partners and suppliers to ensure that our products and services are free from modern slavery practices. We will continue to raise awareness about modern slavery and inspire others to join us in preventing and addressing this global issue.

**Our future priorities include:**



### Education & Knowledge

Promote awareness, understanding, and knowledge of modern slavery in our organisation and supply chain, building capacity to identify and respond to modern slavery issues.



### Stakeholder Engagement & Collaboration

Proactively engage internal and external stakeholders and foster collaboration to collectively address modern slavery.



### Technology & Systems

Leverage technology and systems to enhance transparency, traceability and accountability throughout our organisation and supply chain.



### Performance & Effectiveness

Measure, monitor, and improve the effectiveness of modern slavery initiatives across our operations and supply chain.



### Risk Assessment & Due Diligence

Conduct thorough and meaningful risk assessments and due diligence to identify and address modern slavery risks across our operations and supply networks.



### Governance & Leadership

To lead by example, beyond legislative requirements, to ensure strong governance and a commitment to combat modern slavery.

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