



Trigeneration Plant at the Stockland head office Sydney, NSW

ELECTRICITY CONSUMPTION
7% ↓

Purchased electricity (kWh)	
FY09	130,513,735
FY08	140,815,946
FY07	148,540,858
FY06	147,562,013

Base-building electricity for office, industrial and retail assets and corporate tenancies.

WATER CONSUMPTION
12% ↓

Water consumption (kL)	
FY09	1,298,733
FY08	1,472,267
FY07	1,636,695
FY06	1,558,708

Water consumption of office, industrial and retail assets.

GREENHOUSE GAS EMISSIONS
8% ↓

Greenhouse gas emissions (kgCO ₂)	
FY09	122,109,162
FY08	132,439,692
FY07	139,385,591
FY06	139,279,841

This report uses the Australian Government's Department of Climate Change NGA Factors Workbook (November 2008) to calculate Scope 1 and Scope 2 emissions.

CLIMATE CHANGE

UNDERSTANDING RISKS helps to ensure we develop, own and manage buildings and communities able to withstand the future effects of climate change. The Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment report predicted that likely impacts on property include increased warmer days, heavy precipitation events and incidence of extreme high sea level. Should these predictions be realised they will place greater demand on the built environment.

We are working to prioritise emerging risks, particularly in relation to flooding, storm surge and sea level rise; and increased threat of bushfire. Already we take into consideration flooding and fire risks in the planning stages of development. We are now undertaking research to develop minimum performance requirements in response to climate change risks.

BIODIVERSITY

In 2009 we undertook a review of our Residential Communities and Retirement Living businesses and identified that 22 per cent of communities have threatened species located on or near the community. In response to this all communities have implemented biodiversity management plans. Detailed mapping of threatened and endangered species on all projects will be undertaken in 2010.

ENERGY EFFICIENCY

The major contributor to Stockland's carbon footprint is energy used in our office, industrial and retail properties. In response to the Federal Government's Energy Efficiency Opportunities Act, we have undertaken energy-efficiency assessments across these properties.

The National Australian Built Environmental Rating System (NABERS), measures our office buildings' environmental performance during operation. We achieved a portfolio average NABERS Energy rating of 3.4 stars for the 2008 calendar year. This was an improvement from the previous year when we received an average rating of 2.9 stars.

Energy efficiency performance in retail centres is measured through monthly energy usage reports. Following energy audits on 19 centres we have made changes which will lead to an estimated reduction of eight per cent of our total base building energy use. The changes primarily involved the installation and retrofitting of energy-efficient lighting in car parks and mall areas. We are committed to a minimum NABERS Energy rating of 4.5 stars and a Green Star rating for new office buildings. Energy-efficient plant and equipment is now included in all new buildings and major refurbishments.

environment

OFFICE GHG EMISSIONS INTENSITY FY08-09
8% ↓

Office greenhouse gas (GHG) emissions intensity (kgCO ₂ /m ²)	
FY09	103.8
FY08	113.3
FY07	127.8
FY06	136.6

GHG emissions for office assets divided by the leased floor area of these assets.

RETAIL GHG EMISSIONS INTENSITY FY08-09
3% ↓

Retail greenhouse gas (GHG) emissions intensity (kgCO ₂ /m ²)	
FY09	74.5
FY08	77.2
FY07	82.2
FY06	88.6

GHG emissions for retail assets divided by the leased floor area of these assets.



North Shore Biodiversity, Townsville QLD

PRESERVING AND RESTORING BIODIVERSITY AT NORTH SHORE

North Queensland's largest masterplanned community, Stockland's North Shore incorporates plans for more than 5,200 homes across more than 1,000 hectares of land. The new community will include schools, a shopping centre, commercial space, community facilities and extensive natural bushland. North Shore is located alongside the Bohle River on land previously used for grazing.

The site is an important habitat for the endangered Black Throated Finch. During the planning phase we considered how best to protect the habitat of this species, manage stormwater runoff in a way that enhances the water quality of the receiving ecosystems, regenerate degraded grazing property and enhance the site's natural biodiversity.

We implemented a range of initiatives including:

- Rehabilitation of all eroded areas of the site and preventative works to stop further erosion
- Construction of a \$20 million best practice stormwater treatment system which will improve stormwater future runoff quality to a level that will be better than what previously left the site when it was a grazing property
- Committed \$50,000 per annum for five years to establish the Black Throated Finch Trust to research and conserve the species

The outcome of these initiatives was the rehabilitation of over 40 hectares of native bushland adjacent to the Bohle River, making it a suitable habitat for native flora and fauna.

Our stakeholders, including residents, community groups, council and prospective buyers have responded positively to the project to date. This is evidenced by the achievement of 265 sales at a time when the land sales market in Townsville has halved.

We aim to create sustainable and vibrant communities that thrive long after we have completed the development phase.



Stockland volunteers at Centipede child care centre, Glebe NSW

UNDERSTANDING OUR STAKEHOLDERS

BALANCING THE NEEDS of stakeholders is fundamental to the success of our business.

OUR KEY STAKEHOLDERS ARE:

- Employees
- Government and regulators
- Securityholders and the investment community
- Customers
- Suppliers
- Communities

We are working to embed a measurable and proactive stakeholder engagement framework into our daily operations. This year we have field tested our stakeholder engagement template to ensure a consistent and strategic approach across our projects.

This template ensures stakeholders are listed in priority order, with a focused plan for proactive engagement with each group that clearly identifies primary issues or concerns throughout the stages of a project. The plans address the particular social, political, economic and environmental concerns of the local and broader community that a project may affect.

CREATING SUSTAINABLE COMMUNITIES

We aim to create sustainable and vibrant communities that thrive long after we have finished development. To support this aim, we have designed a series of Community Development Guidelines for our Residential Communities business.

The guidelines detail best practice consultation methods and will be rolled out across all Residential Communities projects over the course of 2009-10.

They outline a simple process for projects to undertake a needs assessment of the local area, compile a community profile, and inform partnerships with key community groups. This will enable us to provide better outcomes for existing and future residents.

COMMUNITY INVESTMENT

Stockland's community investment program has been developed by our employees and is an important way for us to support their interests, as well as contribute to local communities.

HOURS VOLUNTEERED IN THE COMMUNITY

3,500

Our Giving and Volunteering program includes employee donations to charitable organisations dollar matched by Stockland and participation of employees in volunteering activities.

Almost half of our employees have volunteered more than 3,500 hours in community activities over the past year. This activity has included 24 per cent of our employees mentoring students from 28 priority-funded schools in Australia through our partnership with the Australian Business and Community Network (ABCN).

community