
Climate Transition Action Plan 2023





Acknowledgement of Country

Stockland acknowledges the Traditional Custodians and knowledge-holders of the land on which we live, work and play and pay our respects to their Elders past, present and emerging. We acknowledge and thank all Aboriginal and Torres Strait Islander People for enriching our nation with their historical and traditional practices, their rich and diverse cultures and their ongoing and inherent connection to Country.



A better way to live

Stockland is one of
Australia's largest
diversified property groups

*\$15.5 billion*¹
OF REAL ESTATE ASSETS

*~\$40 billion*²
DEVELOPMENT PIPELINE



We create, curate and invest in Retail Town Centres, Workplaces, Logistics centres, Apartments and Masterplanned and Land Lease Communities.

A leading creator and curator
of connected communities



¹ Carrying value as at 30 June 2023. Includes WIP & sundry properties. Includes cost to complete provisions and grossed up deferred land and option payments.

² Total development pipeline as at 30 June 2023 – includes project in early planning stages, projects with planning approval and project under construction.



Approach to this plan

Stockland's Climate Transition Action Plan ('Plan'), is an opportunity for us to demonstrate how we are addressing climate change risk and opportunities and delivering on our purpose, 'a better way to live', as we help shape communities across Australia. The Plan is for Stockland Corporation Limited and its controlled entities, including Stockland Trust and its controlled entities ('Stockland' or 'Group'). It can be read in conjunction with Stockland's annual corporate reporting suite which will provide annual updates on our progress towards the Plan.

This Plan has received independent third-party assurance from Ernst and Young (EY) using the following criteria:

- Science Based Target Initiative (SBTi) Criteria and Recommendations version 5.1 April 2023
- SBTi Foundations Setting version 1.0 April 2019
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Greenhouse Gas (GHG) Protocol: A Corporate Accounting Reporting Standard
- GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Refer to page 48 for more detail.

Corporate reporting suite

The Plan is complemented by our broader corporate reporting suite, including:

Annual Integrated Report: features information about our strategy, our operational and financial performance, risk management, corporate governance, and our financial statements

Results Presentations: includes strategic priorities, financial results, operational performance, business unit activities, portfolio metrics and development pipeline, disclosed on a six-monthly basis

ESG Data Pack: data file comprising key Stockland environmental, people and community performance metrics.

Contents



Our corporate reporting suite documents are available for download on the Stockland Investor Centre stockland.com.au/investor-centre



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Director and CEO

Letter from the Managing Director and CEO





Letter from the Managing Director and CEO

Letter from the Managing Director and CEO

Letter from the Managing Director and CEO

Climate change is indisputable. To limit warming to 1.5°C and avoid the worst effects of climate change, global emissions must be halved by 2030¹. Despite progress in recent years, the world is not yet on a trajectory that will limit warming to well below 2°C¹ consistent with the Paris Agreement.

Buildings are currently responsible for 39% of global energy related carbon emissions², making the property sector a key contributor in the race to reach net zero.

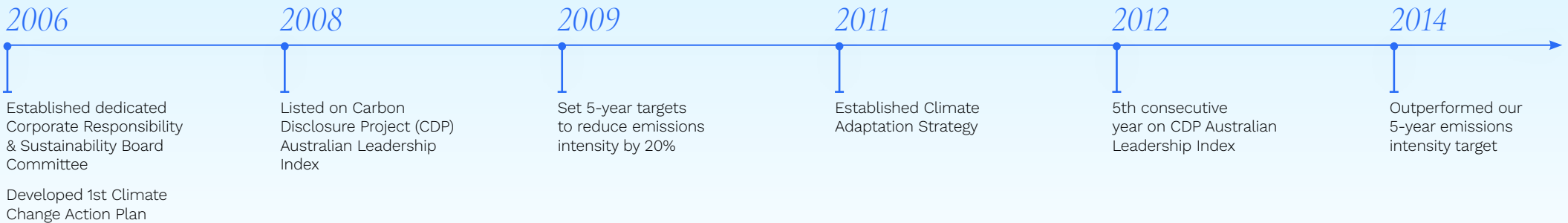
As one of Australia's largest diversified property groups, Stockland has a responsibility to play our part in achieving that goal. Like many of our peers, Stockland's portfolio is exposed to the accelerating physical impacts of climate change and the risks and opportunities of transitioning to a decarbonised global economy.

We must adapt our business appropriately to enhance our resilience and partner with our suppliers and industry so that our sector transitions as rapidly and reliably as possible. It is a fundamental part of how we will deliver on our vision to be the leading creator and curator of connected communities.

As part of our commitment to delivering a high-quality, sustainable portfolio, Stockland has been assessing and managing climate-related physical and transition risks for many years.

We have a strong track record of delivering on our commitments and setting higher standards. In 2021, we brought forward our Scope 1 and 2 net zero target to 2028 and joined the United Nations' Race to Zero – Business Ambition for 1.5°C.

We are once more accelerating our Scopes 1 and 2 target bringing it forward to 2025. This is coupled with an expansion of our decarbonisation commitment to include Scope 3 emissions intensity targets.



¹ Science Based Target Initiative: <https://sciencebasedtargets.org/business-ambition-for-1-5c/>
² World Green Building Council: "Buildings are currently responsible for 39% of global energy related carbon emissions: 28% from operational emissions, from energy needed to heat, cool and power them, and the remaining 11% from materials and construction." <https://worldgbc.org/advancing-net-zero/embodied-carbon/>



Letter from the Managing Director and CEO

Letter from the Managing Director and CEO

Our Plan

Our Plan is designed to be a commercially sustainable reduction pathway leveraging our scale and diversification to access opportunities including onsite renewable energy generation and lower-carbon materials.

Our targets recognise where we can take immediate action in the near term across areas under our control including energy consumption and areas where we can partner with our suppliers to reduce embodied emissions.

Our Plan is a key part of our ESG Strategy as we take steps toward a smaller footprint and strengthen the climate resilience of our portfolio. The Plan is also intertwined with our social impact goals, First Nations strategy and evolving approaches to circularity and nature. This holistic approach is essential to deliver our purpose – ‘a better way to live’.

Our Plan has been informed by stress-testing our business against two bookend climate scenarios¹, representing the high transition and high physical risk ends of the climate risk spectrum. Each year, we will report on our progress against our targets and Plan.

Thank you to all of our partners, investors, customers and suppliers for supporting us in our climate transition journey. Our endeavour is that this Plan will assist your understanding in how, together, we can make Stockland and our communities more resilient. We welcome your feedback on the Plan.

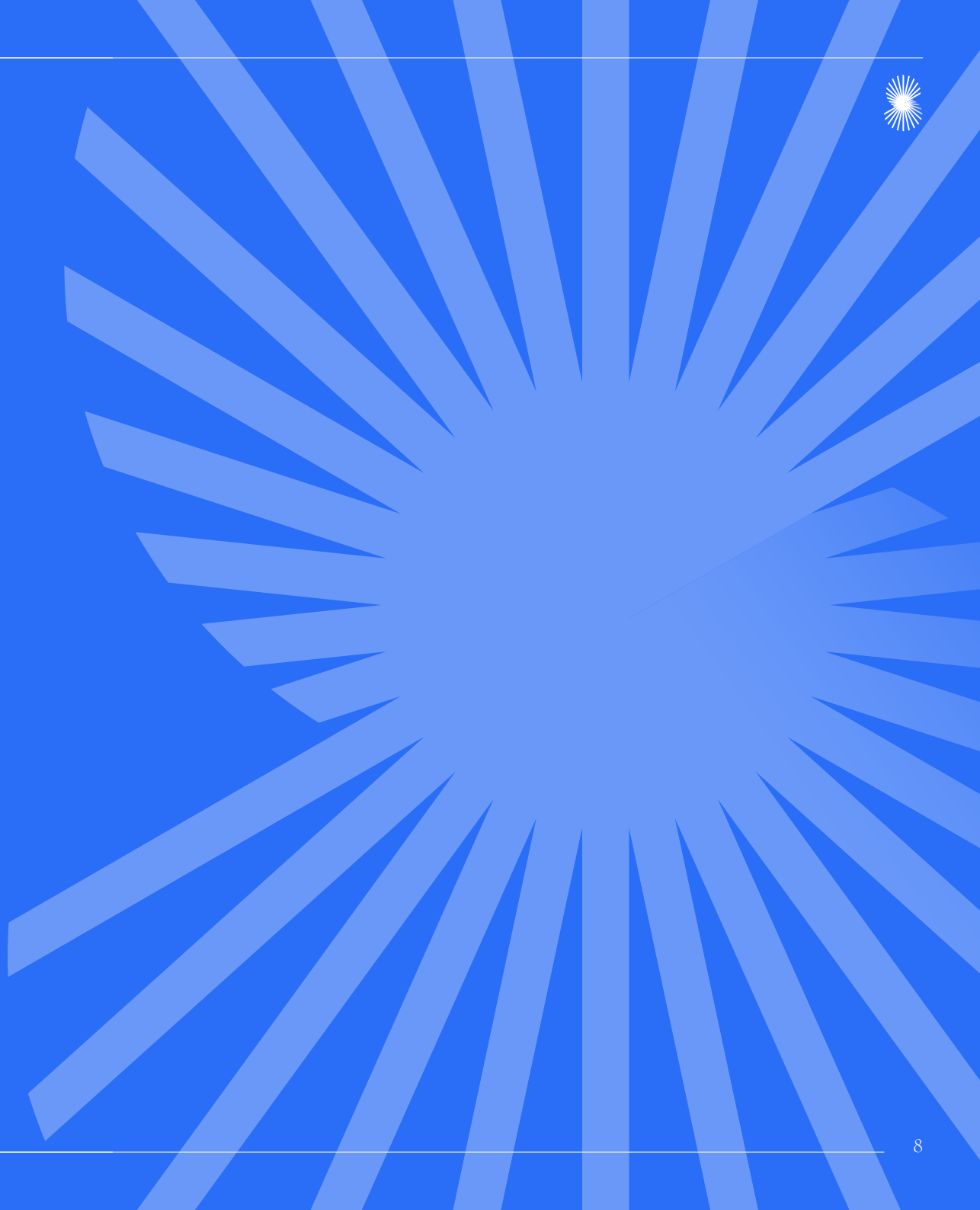
Tarun Gupta
Stockland Managing Director and CEO



¹ Scenarios informed by International Energy Agency (IEA) and Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs).



Our carbon footprint





Our carbon footprint

Our carbon footprint

Greenhouse gas (GHG) emissions for our business have been calculated using the GHG Protocol, the most recognised global greenhouse gas accounting standard. The protocol covers Scope 1, 2 and 3 emissions¹ and provides guidance on how to establish a boundary which accurately reflects the GHG emissions inventory of an organisation.

Our boundaries

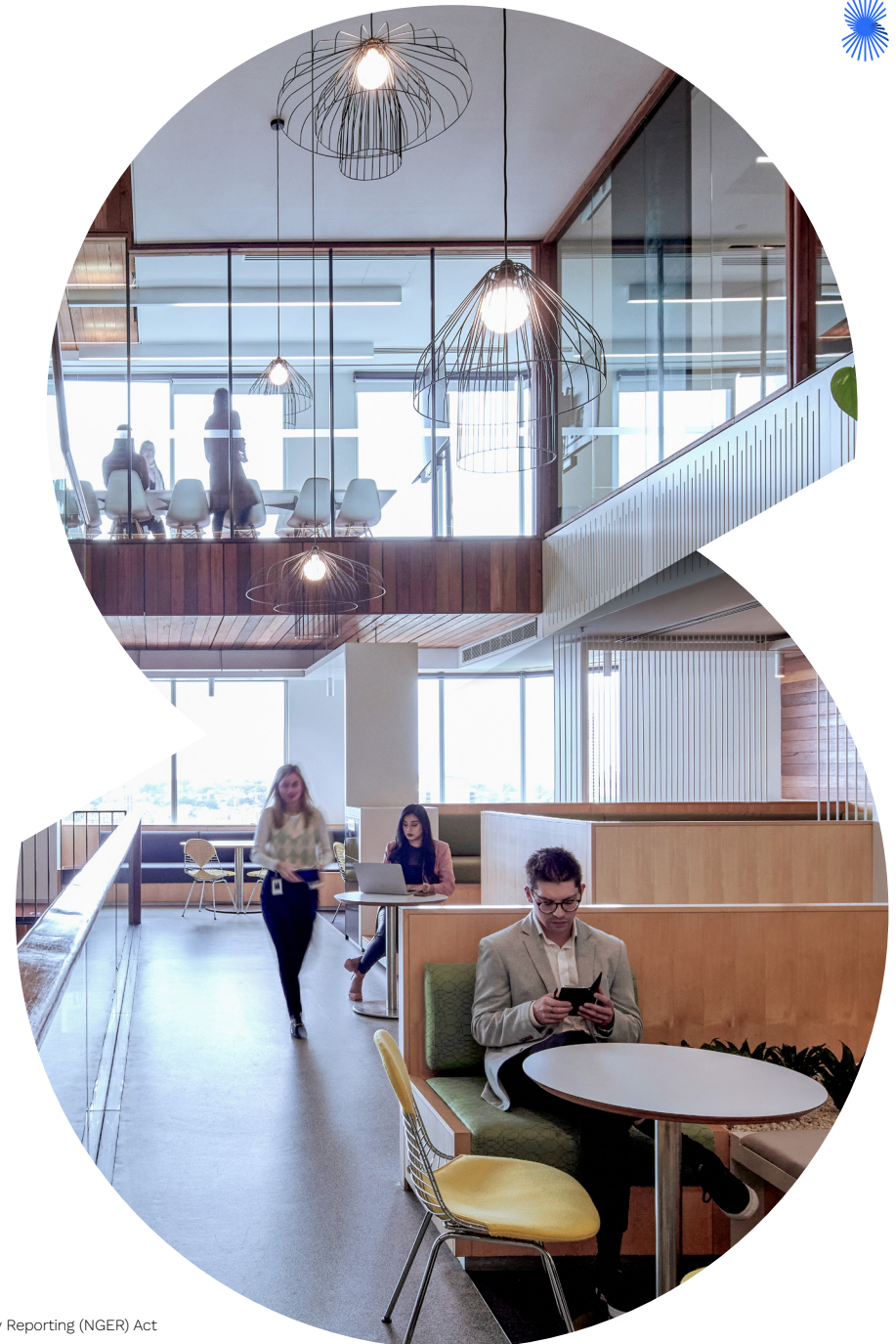
In alignment with the GHG Protocol we have determine both our *organisational boundary*, which considers our level of control over the sources of emissions, and our *activity boundary*, which considers the emission-causing activities across our value chain. Our activity boundary requires consideration of the categorisation of these emissions as direct or indirect.

- Scope 1 emissions are direct emissions from owned or controlled sources.
- Scope 2 emissions are indirect emissions from the generation of purchased energy, e.g. electricity.²
- Scope 3 emissions are indirect emissions that occur in the value chain. These are further broken down into upstream and downstream emissions and organised across fifteen categories.³

Included and excluded categories within our boundary have been assessed using GHG Protocol – Corporate Value Chain Scope 3 Criteria, with consideration to the emissions size, influence, risk, stakeholders, outsourcing and existing sector guidance.



For a full list of included and excluded activities and emissions go to the Reference Tables on page 42 – Our GHG Inventory



¹ For list of Scope 3 emissions categories see Glossary

² We are also required to report our operational control emissions for Scopes 1 and 2 under National Greenhouse and Energy Reporting (NGER) Act

³ Emissions from joint ventures where we have joint financial control are accounted for based on an equity share approach.



Our carbon footprint

Our footprint

Our emissions baseline year of financial year ending 30 June 2021 is reflective of our current business activities and is used for target setting and assessing reduction strategies.

Stockland's Scope 1 direct emissions are a relatively small proportion of those in our value chain, and come from:

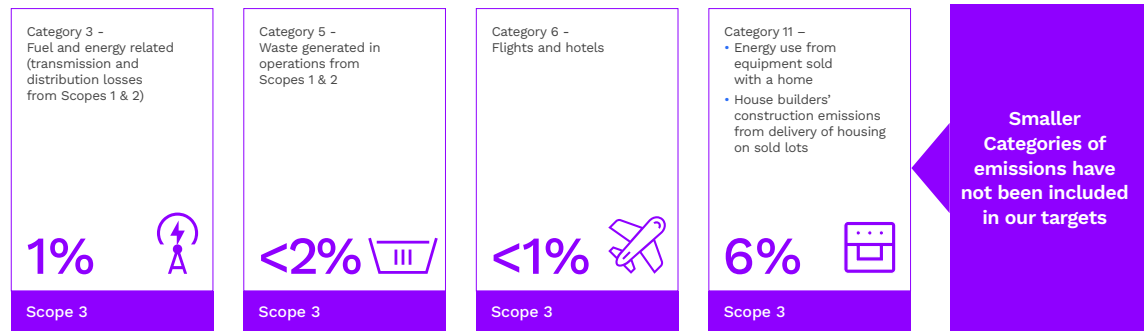
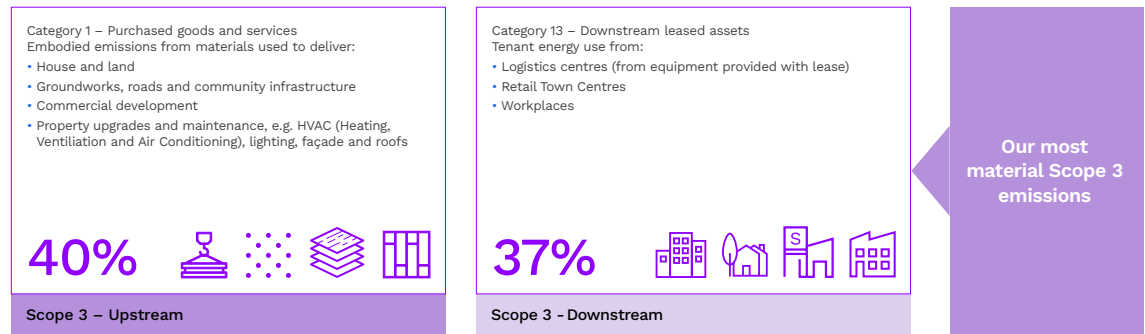
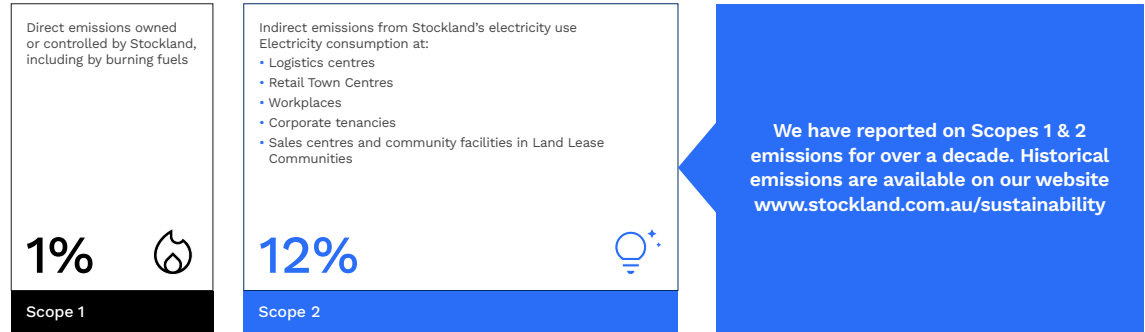
- gas that we directly use in the base building systems that we provide within our assets, in addition to gas use within our own corporate tenancies and community facilities.
- refrigerants from the base building systems that we provide within our assets.
- vehicles that we own and operate.

Stockland's Scope 2 indirect emissions come from electricity that we directly consume in the base building systems that we provide within our assets, in addition to electricity use within our own corporate tenancies, sales centres and community facilities at our Residential sites and Land Lease Communities.

Stockland's most significant Scope 3 emissions come from products and services (Category 1) and from the energy used by tenants in our assets (Category 13). Together these account for over three quarters of our total Scope 1, 2 and 3 emissions. Within Scope 3, these two categories represent 89% of our Scope 3 emissions (and 77% of our value chain emissions) in our 2021 baseline.

Our business activities also cause emissions from use of sold product (Category 11); representing 6% of our total emissions. For Stockland, this relates to energy use from equipment or appliances that are sold with a home as we specify minimum performance standards for our residential property. Energy use from this equipment is calculated as 40 years of use from point of sale.

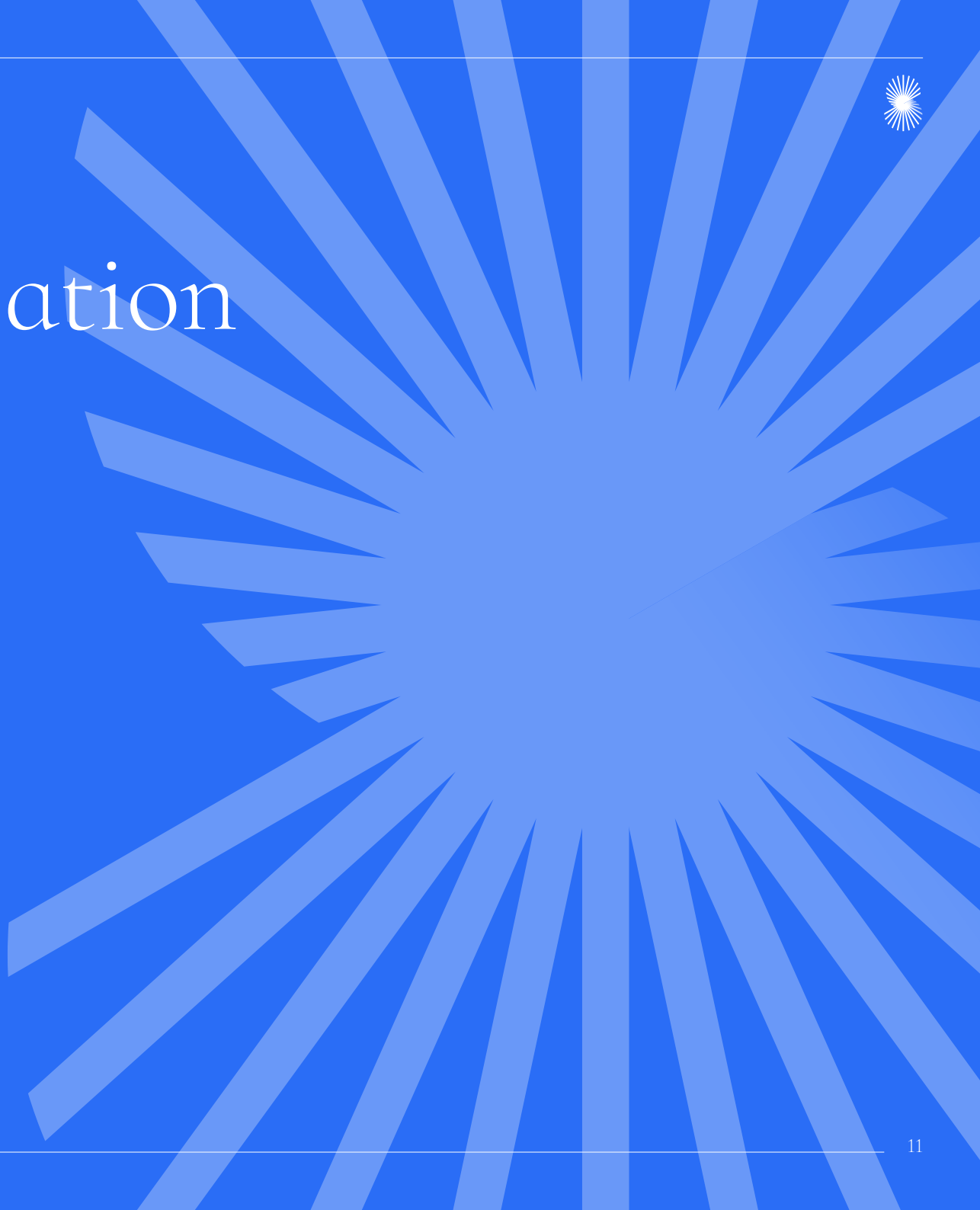
This category also includes the construction emissions from third party house builders delivering housing on sold lots in our developments.



For a full list of included and excluded activities and emissions go to the Reference Tables on page 42 – Our GHG Inventory



Our decarbonisation pathway

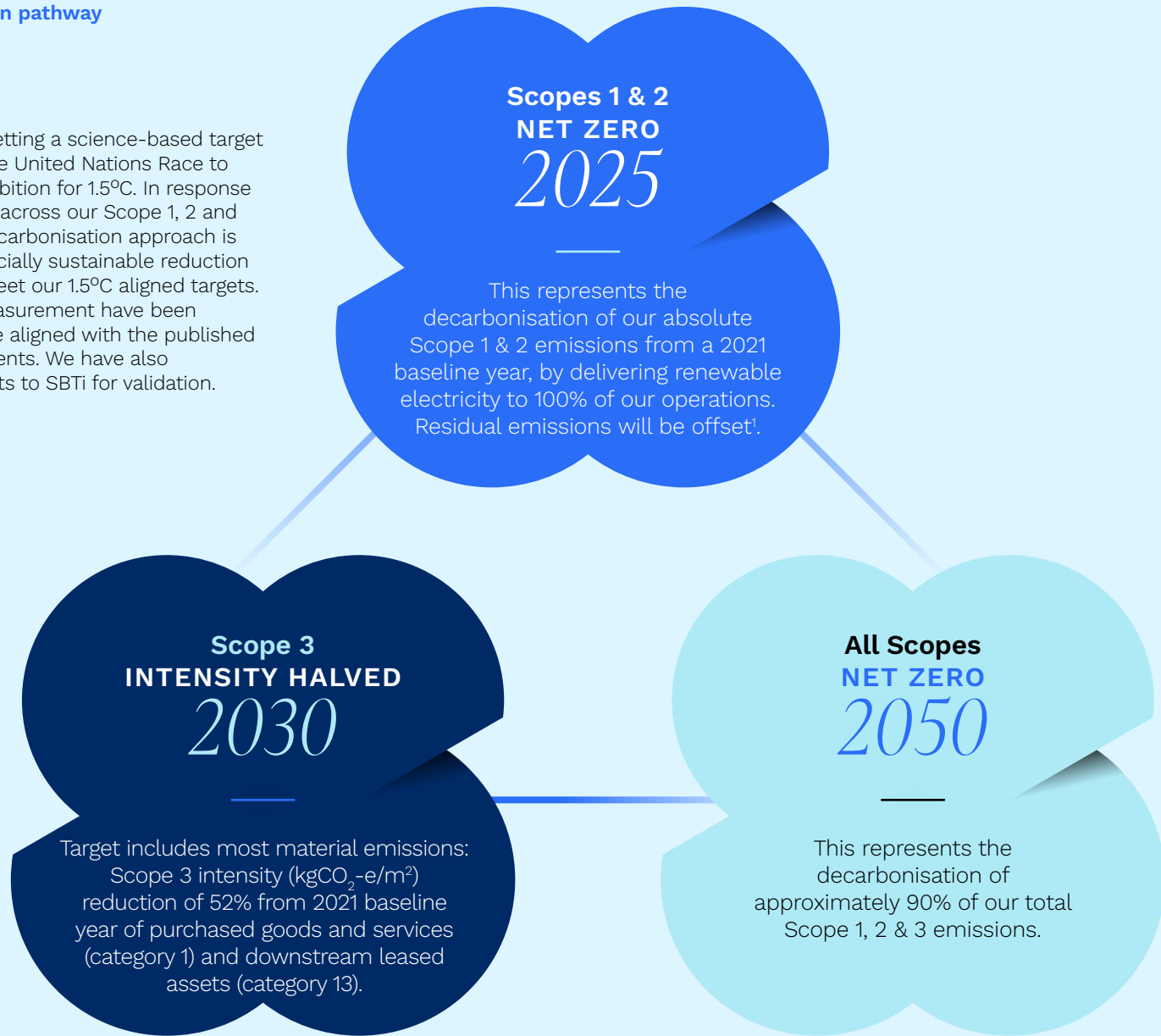




Our decarbonisation pathway

Our targets

We committed to setting a science-based target in 2021 as part of the United Nations Race to Zero – Business Ambition for 1.5°C. In response we have set targets across our Scope 1, 2 and 3 emissions. Our decarbonisation approach is to follow a commercially sustainable reduction pathway that will meet our 1.5°C aligned targets. Our targets and measurement have been assured by EY² to be aligned with the published SBTi criteria documents. We have also submitted our targets to SBTi for validation.



1 Offsetting of residual emissions will commence 1 July 2025.

2 EY assured Stockland's Basis of Preparation for the Plan including decarbonisation roadmap and its associated baseline, calculation methods and assumptions.



Our decarbonisation pathway

Targets grounded in science

Stockland's science-based target approach

Stockland has aligned its target boundary with the Science Based Target initiative (SBTi) methodology.

SBTi CRITERIA	STOCKLAND TARGET	
Baseline year must be no later than 2015 or as close to current year as possible	We have chosen a baseline year of 2021 due to accuracy of data available and reflection of our current business activities	✓
Near term target must be within 5-10 years of submission for certification	Our near term target is 2030	✓
Scope 1 and 2 emissions target with absolute emissions reduction must be 1.5°C aligned	Our target exceeds the required trajectory. Our 100% renewable electricity target delivers a 90% absolute reduction in our Scope 1 and 2 emissions.	✓
Scope 3 emissions can be an absolute or intensity target	Our Scope 3 emissions target is an intensity target to align with our business activities. This allows us to take controlled and deliberate steps toward carbon reduction in the near-term and better track our emission trajectory if our portfolio grows.	✓
Near-term Scope 3 emissions target must cover 67% of total Scope 3 emission	We have included our most significant Scope 3 emission categories of Category 1 (Purchased goods and services) and Category 13 (Downstream leased assets). Together, they represent 89% of our total Scope 3 emissions (77% of our total emissions).	✓
A long term Net Zero target is required: <ul style="list-style-type: none"> • Target year must be 2050 at the latest • Reductions must be >90% less than baseline year • Offsets may be used for the remaining <10% 	We have committed to a long term Net Zero target across Scopes 1, 2 and 3 by 2050.	✓

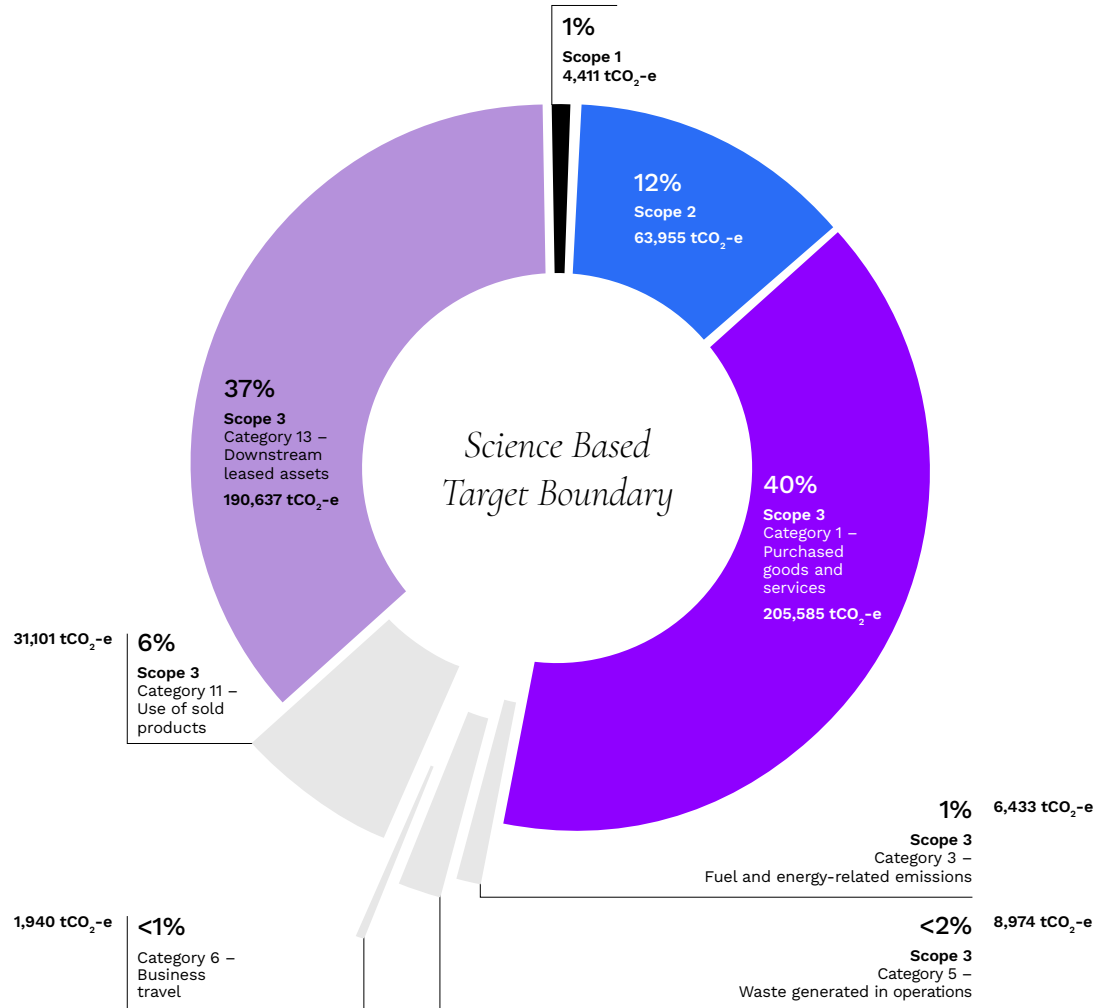


For a full list of included and excluded activities and emissions go to the Reference Tables on page 42 – Our GHG Inventory



Our decarbonisation pathway

Emissions included in our targets



All Scope 1 & 2 emissions are included in Net Zero Scope 1 & 2 in 2025 target:
To be aligned with SBTi, Scope 1 & 2 emissions targets are reduced on an absolute reduction basis and are 1.5°C aligned.

Most material Scope 3 emissions intensity halved by 2030 target:
Our Scope 3 intensity based (kgCO₂-e/m²) target covers 89% of our total Scope 3 emissions. For Stockland, the majority of our Scope 3 emissions come from purchased goods and services (Category 1) and downstream leased assets (Category 13). Our baseline has been prepared using either Stockland data or best available industry benchmarks. We will continue to update our emissions calculations as benchmarks evolve and we collect more data on our actual emissions.

Scope 3 categories excluded from 2030 target:
Our 2030 target covers our Scope 1 and 2 emissions and 89% of our Scope 3 emissions, exceeding SBTi coverage requirements for near-term targets. While the relatively smaller emissions in Categories 3, 5, 6 and 11 are excluded from our 2030 target, they will be included in our annual reporting of our overall footprint commencing in FY24.

i For a full list of included and excluded activities and emissions go to the Reference Tables on page 42 – Our GHG Inventory



Our decarbonisation pathway

Our actions across our value chain

Our targets recognise where we can take immediate action in the short term by pulling levers under our direct control, how we will partner with our suppliers and influence tenants in the medium term to reduce embodied emissions, and where we will advocate for broader long-term decarbonisation. Our Plan outlines the key initiatives to meet each target. The below graphic provides an overview of our science-based target emissions boundary and the levers which we intend to pull to achieve our targets.

- C**

Control
We have **direct control** over our emissions through procurement decisions and data capture
- P**

Partner
We need to **partner** with our customers and suppliers to reduce emissions across our supply chain
- I**

Influence
We need to **influence** our customers and / or our suppliers to reduce their Scope 1 and 2 emissions
- A**

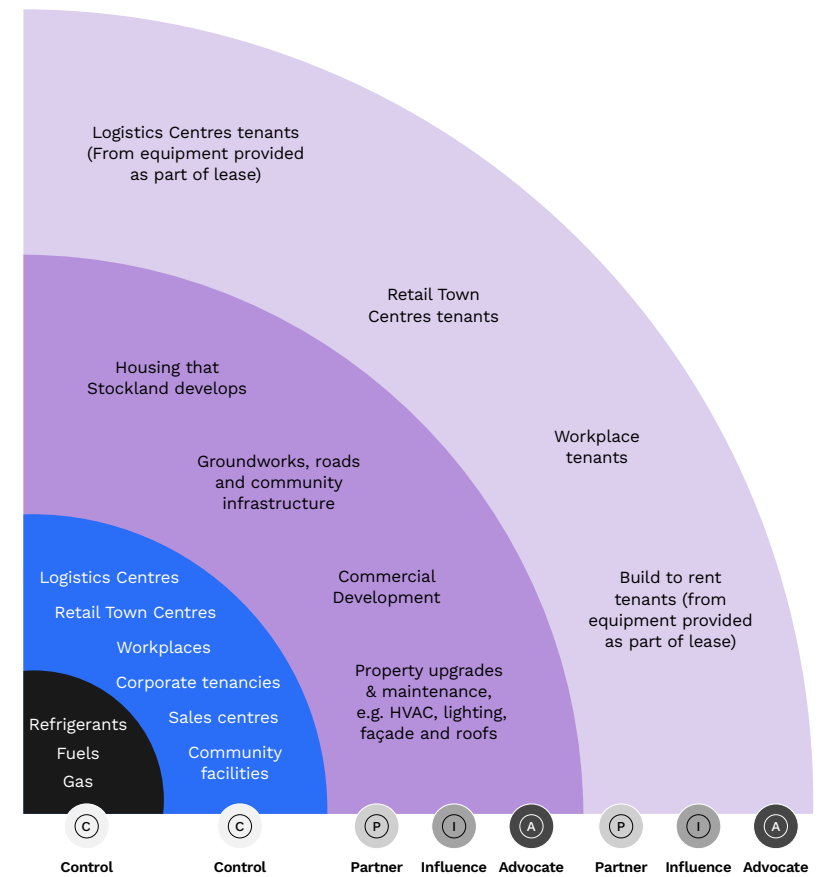
Advocate
We need to **advocate** for change to reduce emissions that occur inside and outside of our target emissions boundary

Scope 3 – Downstream
Our customers Scope 1 and 2 energy use in leased assets

Scope 3 – Upstream
Emissions from purchased goods and services
Embodied emissions from materials used to deliver projects

Scope 2
Electricity used by properties we own and operate

Scope 1
Gas, fuels, refrigerants in HVAC (heating, ventilation and cooling) systems within property and equipment we own and operate





Our decarbonisation pathway

2025: Net zero Scope 1 & 2

Leveraging large scale, onsite renewable energy

Scope 1 and 2 are emissions where we have direct control, via investment, procurement or building design. For example, we can include energy saving features in all our property developments as standard, install rooftop solar on assets we own and operate and transition towards all electric developments for new developments and existing commercial assets.

We plan to reduce directly controlled emissions to achieve net zero for Scopes 1 and 2 in 2025, three years ahead of our previous target.

A key element of our Plan is leveraging large scale onsite renewable energy generation to enable the achievement of 100% renewable energy across our portfolio and net zero for our Scope 2 emissions. To reach net zero we are seeking to install 32MW of solar PV, in addition to our existing 18MW capacity to deliver 100% renewable energy to our operations, and absolute reductions of more than 90% of our Scope 1 and 2 emissions, in line with our SBTi requirements. Offsetting of any residual Scope 1 emissions will commence in 2025 (see offsetting section page 17).

In addition, we plan to include energy saving features in all our property developments as standard and accelerate our transition towards all electric developments – removing gas where possible from new developments and existing commercial assets.

Transferring onsite renewable energy generation

Workplace assets generally have material base building energy demand (Scope 2) but limited roof space to support any meaningful capacity of solar installation. Logistics assets however have plentiful roof space but a relatively low base building power demand.

A large solar installation on a Logistics asset operating under current standard market arrangements would subsequently export considerable excess power to the grid, with a partnered Retailer providing only a small ‘feed-in-tariff’ reward. This generally renders Logistics solar investments unattractive, restricting the application of solar on otherwise prime solar generation real estate.

We are assessing options to enable the generation of renewable energy at our Logistics assets to be transferred to our higher-consumption assets.

There is also potential to extend the decarbonisation opportunities to our Scope 3 emissions. We are investigating the potential of expanding our onsite solar generation in order to present our tenants with a renewable energy supply option, reducing Stockland's Scope 3 emissions (Category 13).



Our decarbonisation pathway

Minimum carbon offsets for residual emissions

The challenge remains to eliminate all emissions. In 2025, we plan to achieve an absolute reduction in our Scope 1 and 2 emissions of over 90% leaving a small proportion of residual emissions that will need to be neutralised to meet our Scope 1 and 2 net zero target. Historically, our Scope 1 emissions have been less than 10% of our overall Scope 1 and 2 emissions.

We have investigated the cost and feasibility of changing air conditioning units in commercial assets to use lower-carbon refrigerants, either by replacing the old refrigerants or by replacing the air conditioning system. We expect there will be lower global warming potential refrigerant options available for different sizes of air conditioning systems over the short to medium term. Refrigerant leakage in FY21 represented less than 4% of our Scopes 1 and 2 emissions.

Today, it is currently not possible to remove all refrigerant emissions. Net zero refrigerant carbon emissions in 2025 relies on technology and products that do not currently exist. We expect that some form of carbon offsetting would be needed in 2025 to meet our Net Zero target.

We will purchase a minimal amount of high-integrity, high-quality carbon credits from nature-based projects to offset these emissions, as these support social and environmental outcomes.

Our criteria when using carbon credits is that they are additional, permanent, measurable, monitored, reported and verified as accurate, demonstrably avoiding leakage, double counting and adverse impacts. Any offsets used will be subject to third-party offset verification and assurance. We will also preference emissions removal carbon credits where possible, as opposed to emissions reduction and/ or avoidance credits.

Offsets will remain a minor part of our approach for elements that cannot be mitigated in line with the SBTi net zero methodology. Any additional use of carbon offsets in our Plan will be paired with a detailed strategy to achieve the remaining emissions reduction. In this way, Stockland plans to reach net zero with minimal long-term reliance on carbon offsets.





Our decarbonisation pathway

2030: Scope 3 intensity (kgCO₂-e/m²) reduction for purchased goods and services and leased assets of 52% from 2021 baseline year

Lower-carbon materials and tenants powered by renewable energy

The embodied emissions of materials and the emissions from tenant energy use in our leased assets represent the most significant emissions in our Scope 3. These Scope 3 emissions are not within our direct control. To reduce them, we must partner with and influence both our supply chain and our tenants. We have set 2030 emissions based reduction targets for our Scope 3 emissions in both materials (purchased goods and services – Category 1) and leased assets (Category 13) of 52% per square meter (from 2021 baseline year).

Materials

To meet our purchased goods and services emissions reduction targets we are focused on the biggest lever for change – lower-carbon materials. We will leverage our national scale to engage and influence our broader industry, our building partners and our supply chain, by specifying lower-carbon materials and identifying product substitutions.

This transition is the most demanding aspect of our targets as we are relying on no-cost or low-cost premiums for lower carbon materials in the market in order to maintain commercial sustainability. We have commenced using lower-carbon concrete products at some of our projects at no additional cost. These lower-carbon products reduce embodied carbon by approximately 30%, replacing the Portland cement element with lower carbon alternatives such as fly ash.

Our targets require us to move towards up to 55-65% cement replacement before 2030. To achieve this, we must continue to engage early with industry and our suppliers to encourage higher cement replacement to enter the mass market at low or no incremental cost. Keeping development commercially sustainable is critical to the ongoing affordable provision of housing and commercial properties for our customers.

We are also exploring product substitution. For example, switching from steel to timber frames in our Land Lease homes would address 45% of our baseline steel-related emissions. Where reinforcing steel frames are required, we are pursuing and advocating for broader supply of electric arc furnace (EAF) steel, which uses alternative manufacturing methods to produce significantly lower carbon emissions than traditional steel.

Upstream Scope 3 baseline – Purchased goods and services (Category 1)

Our 2030 target is to reduce our embodied carbon emissions in our developments per sqm. Baseline emission intensity figures for each asset type have been estimated through life cycle assessments on Stockland developments from 2018 – 2022. An internal guideline has been developed for our assets that will incorporate new asset class analysis as they are established.

Asset type	2021 baseline up to practical completion ¹ (kgCO ₂ -e/m ²)	2030 target up to practical completion ¹ (kgCO ₂ -e/m ²)	Source of baseline
Logistics	251	121	Life cycle assessment (LCA) of Stockland logistics development
Sold completed homes	337	163	LCA of typical Stockland completed home product
Sold town homes	430	208	LCA of typical Stockland townhome product
Land sales	40	19	LCA of Stockland MPC infrastructure
Land lease	675	327	LCA of typical Stockland Land Lease product & LCA of Land Lease Infrastructure

¹ Lifecycle modules A1 – A5



Our decarbonisation pathway

Engaging and partnering with our suppliers

Our approach to partnering with our suppliers is premised on providing early insights into our evolving expectations, and working alongside suppliers to understand the timing they need to prepare their supply chain for production, and how we might support acceleration. Our design standards and tender documents already include environmental performance considerations and we will continue to evolve these to specify increasingly lower carbon materials, construction techniques and reporting obligations in line with this Plan, providing transparency and consistency in our procurement practices. Our evaluation criteria will also evolve to recognise suppliers who are able to outperform these standards.

Stockland has worked hard to build strong relationships with all our suppliers who provide us with a great source of learning and inspiration. We will continue to listen and collaborate on innovations to advance this Plan.

Recent successes have included:

- 100% lower-carbon concrete products used for home slabs at our Stockland Halcyon Greens and Stockland Halcyon Rise Land Lease communities.
- The adoption of reconophalt – a road surfacing material which contains high recycled content.
- Tenders which specify green concrete and/or cross laminated timber frames.
- Partnering with suppliers to achieve 96% of waste being diverted from landfill for groundworks in residential masterplanned communities.

To support the industry more broadly, we are a founding member of the Materials & Embodied Carbon Leaders' Alliance (MECLA) which brings together companies from various sectors to drive decarbonisation in the building and construction industry.



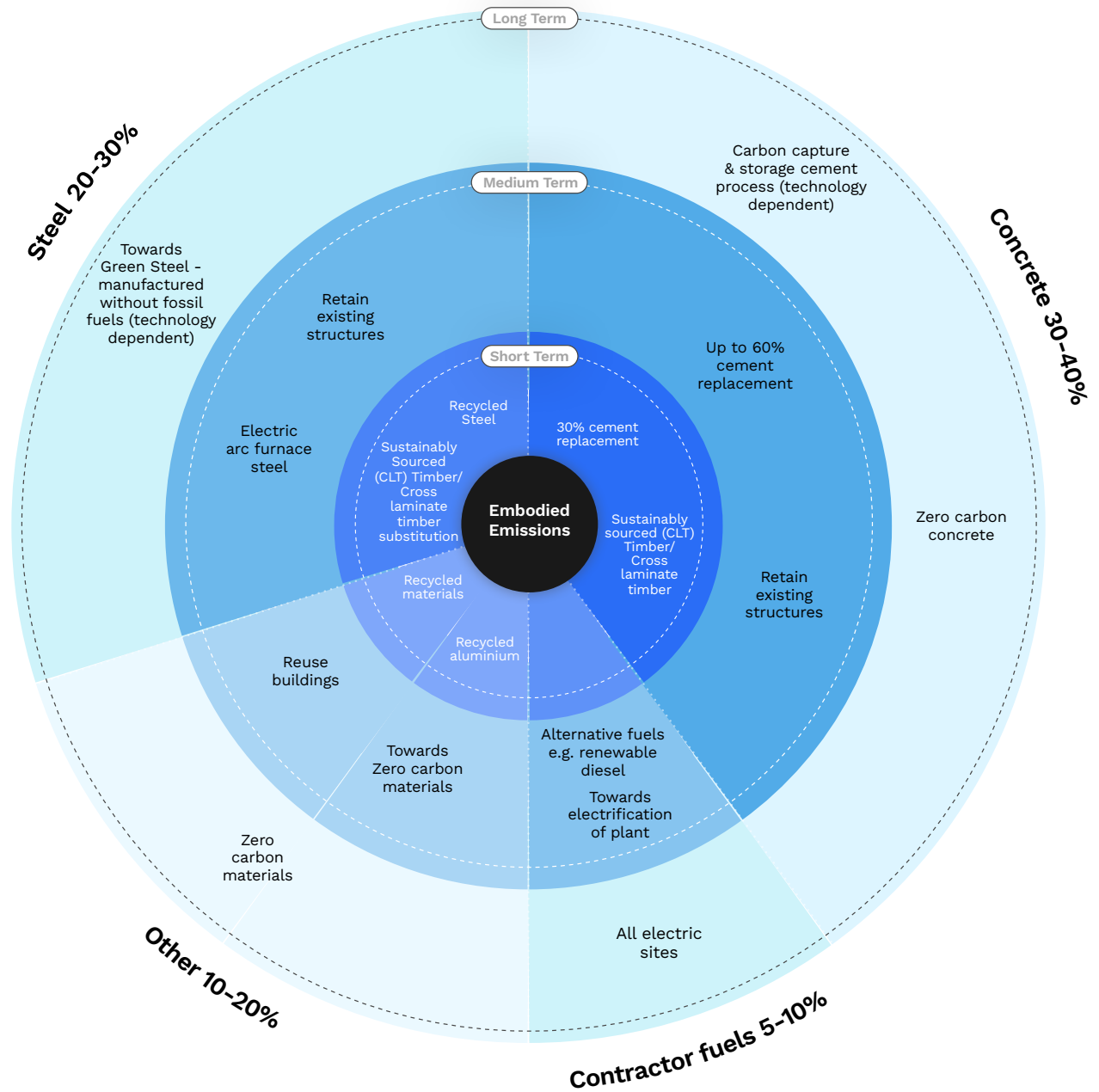


Our decarbonisation pathway

Our embodied emissions transition

(Category 1 – Purchased goods and services)

We must partner with and influence our supply chain as they transition to lower-carbon materials and we explore material alternatives and circularity opportunities. This diagram shows the transition required over time.





Our decarbonisation pathway

Supporting initiatives

Harnessing the circular economy

We are committed and actively exploring circularity principles across our developments, so we can contribute to, influence and advocate for an emerging circular economy within and beyond our industry. To achieve our 2050 goal we aim to both reduce the volume of 'virgin' materials used in Stockland's construction activities and will endeavour to find alternative, higher value uses for any material that might otherwise go to landfill.

A key element of developing assets with world leading sustainability credentials is understanding the embodied impact of materials. We have performed Materials Flow Analysis and Life Cycle Analysis (LCA) in collaboration with third-party consultants across our representative asset typologies to inform our target setting and to identify ways in which we can reduce our embodied carbon impacts.

This process involved measuring the quantity of each material used during the construction and operation of buildings and their associated environmental impacts. We have used this information on current projects to identify impact hotspots and opportunities for improvement across the building's life cycle, including materials selection, future renovations, and end-of-life.

Even with the potential for much lower carbon construction materials, being a part of a step change in embodied carbon beyond 2030 will require a fundamental shift to embed materials circularity in our business.

Green building excellence

We will also continue delivering a high-quality, sustainable portfolio underpinned by ongoing commitments to the sustainable built form across our asset types and development.

The majority of our \$12 billion Workplace and Logistics development pipeline is targeting 5 Star Green Star or above, which demonstrates 'Australian Excellence'. Our current Workplace development pipeline, including M_Park Office Buildings (NSW), Affinity Place (NSW), and Piccadilly (NSW) are registered to achieve 'World Leadership' 6 Star Green Star ratings¹.

These Workplace developments use the latest thinking in sustainable design and operation to produce highly efficient, all electric buildings that are powered by renewables.

Our commercial and residential developments target Green Star ratings and our commercial assets target NABERS Energy and Water ratings² to achieve third party quality assurance for sustainable and lower-carbon development, which includes recognition of energy saving, carbon emissions reduction as well as delivery of climate resilience and community social benefits.

Our development pipeline will aim to leverage the latest thinking in sustainable design and operation to produce highly efficient, all electric buildings that are powered by renewables.

¹ Registered Green Star ratings in the current portfolio use Green Star Design and As Built rating methodology as at 30 June 2023. Green Star Rating System | Green Building Council of Australia (gbca.org.au)

² National Australian Built Environment Rating System <https://www.nabers.gov.au/>



Our decarbonisation pathway

Leased assets

We have several existing strategies underway to decarbonise our Commercial Property portfolio which are enhanced by this Plan:

- Ongoing investment in base building improvements to improve energy efficiency
- Ongoing investigations to convert existing assets to all-electric properties at service life renewal
- Converting tenancies to 100% renewable energy as part of lease renewals
- Exploring the extension of our large scale onsite renewable energy generation to benefit our tenants.

We also expect to benefit from ongoing grid decarbonisation contributing to our leased assets (Scope 3, Category 13) intensity reduction target and from existing tenant commitments to transition to 100% renewable energy by 2030.

Within our current Retail Town Center tenant portfolio, we estimate that close to 40% of our net lettable area is leased by tenants with a 100% Renewable Energy target in 2025, and close to 50% of our total net lettable area is leased to tenants with a 100% Renewable Energy target by 2030.

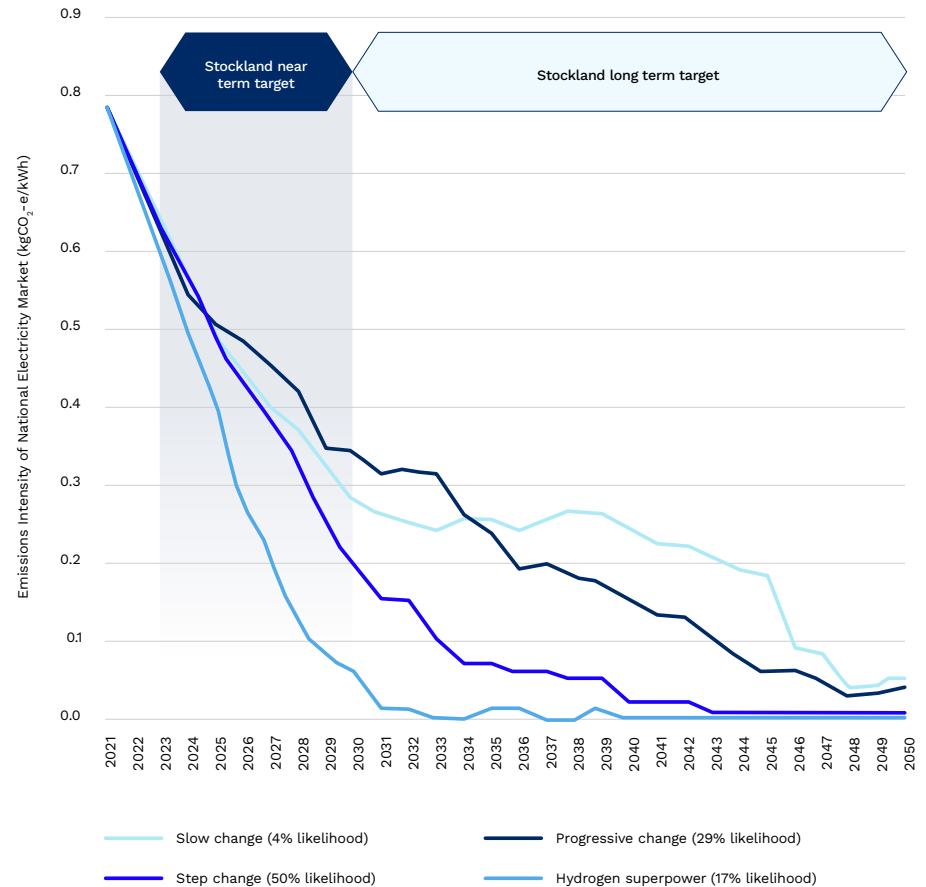
The Australian Energy Market Operator (AEMO) updated its Integrated Systems Plan¹ (ISP) for the National Electricity Market in 2022, extending the planning horizon through to 2050, to reflect Australia’s 2050 net zero emissions target. Scenarios within the Plan indicate a range in grid emissions intensity reductions in the near-term to 2030.

Stockland’s near-term emission forecasting and transition planning has been undertaken using AEMO’s “Progressive Change” scenario as this represents a conservative grid decarbonisation in the time horizon of our target. In the near-term (up to 2030) the Progressive Change scenario is associated with the highest grid emissions intensity. If this scenario plays out, our emissions from leased assets are still expected to decline in line with our target.

Regardless of grid decarbonisation we are taking a proactive approach:

Our target will also be supported by encouraging tenants to transition to renewable energy. We are exploring opportunities to provide renewable energy through the extension of the roll out of solar at scale.

AEMO Integrated Systems Plan 2022 scenarios grid emissions intensity



1 2022-integrated-system-plan-isp.pdf (aemo.com.au)



Our decarbonisation pathway

Downstream Scope 3 baseline – Energy use from leased assets (Category 13)

Our 2030 target is to reduce the carbon emissions of our downstream leased assets under our operational control by 52% per sqm.

Asset Type	2021 baseline kgCO ₂ -e/m ²	2030 target kgCO ₂ -e/m ²	Source of baseline
Offices	81	39	NABERS Tenancy Benchmarks
Logistics	32	15	Bottom up calculations
Retail	146	71	Bottom up calculations per tenant type

2050: Net zero all Scopes

Advocate for industry decarbonisation

Our ability to achieve emissions reduction beyond 2030 largely depends on broader industry developments over which our control is limited.

These include the availability of lower-carbon cement, steel and aluminium reaching the mass market, and Australia's electricity grid in 2050 achieving 95% emissions reduction from 2021 baseline, as projected by AEMO in the 2022 ISP. With our targets in mind, we will actively advocate for industry decarbonisation to continue to reduce our emissions.

The balance of any residual emissions to achieve our net zero target in 2050 will be offset by high quality, nature-based offsets (more detail on page 17). For net zero in 2050, these residual 'hard to abate' emissions may include some refrigerants, gas, emissions from waste in operations and some embodied emissions that can't be negated.

At Stockland, in alignment with our science based targets, we consider offsets a last resort that follows our efforts to reduce emissions.

net
ZERO
by *2050*



Artist impression:
Affinity Place, NSW

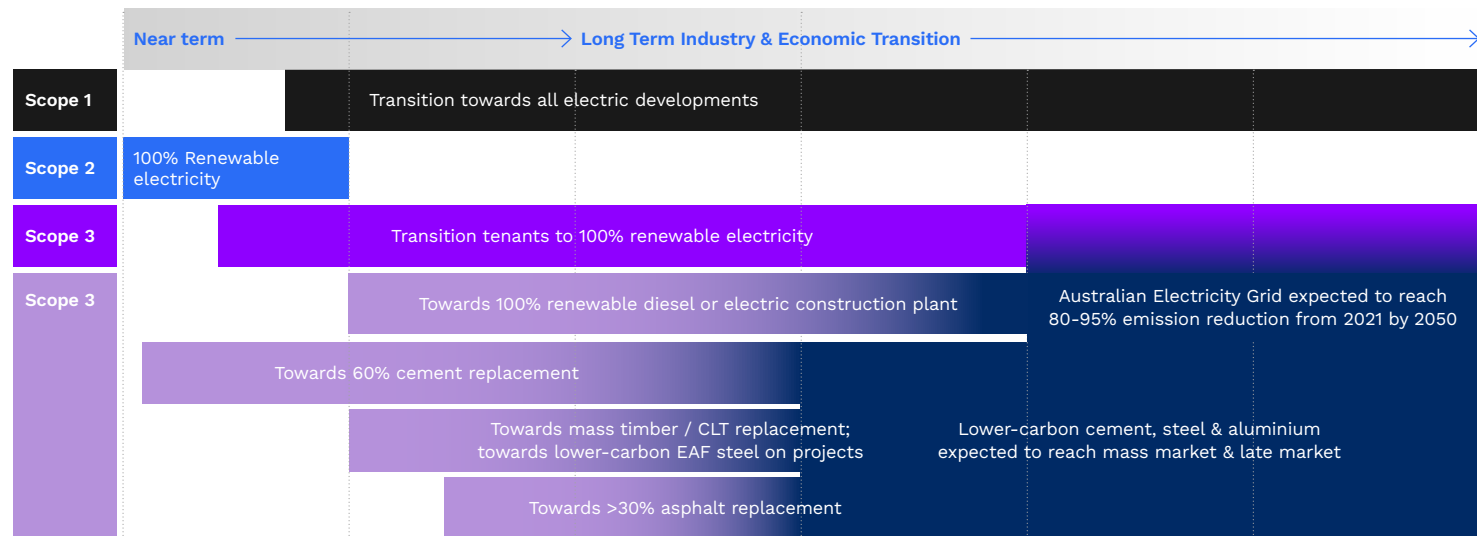
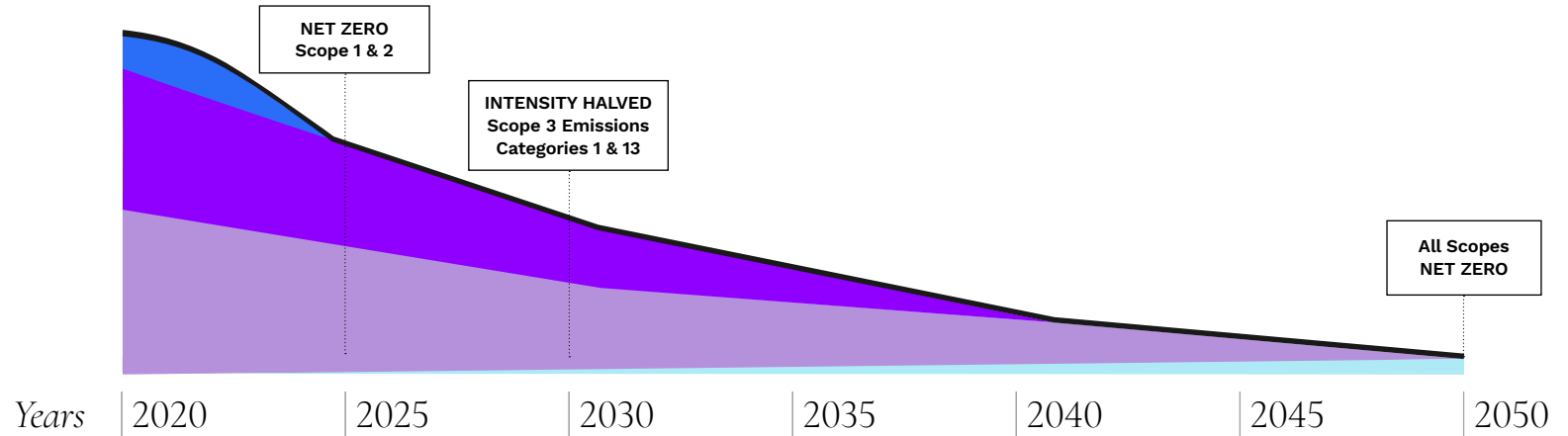


Our decarbonisation pathway

In summary: Our pathway to achieve our targets

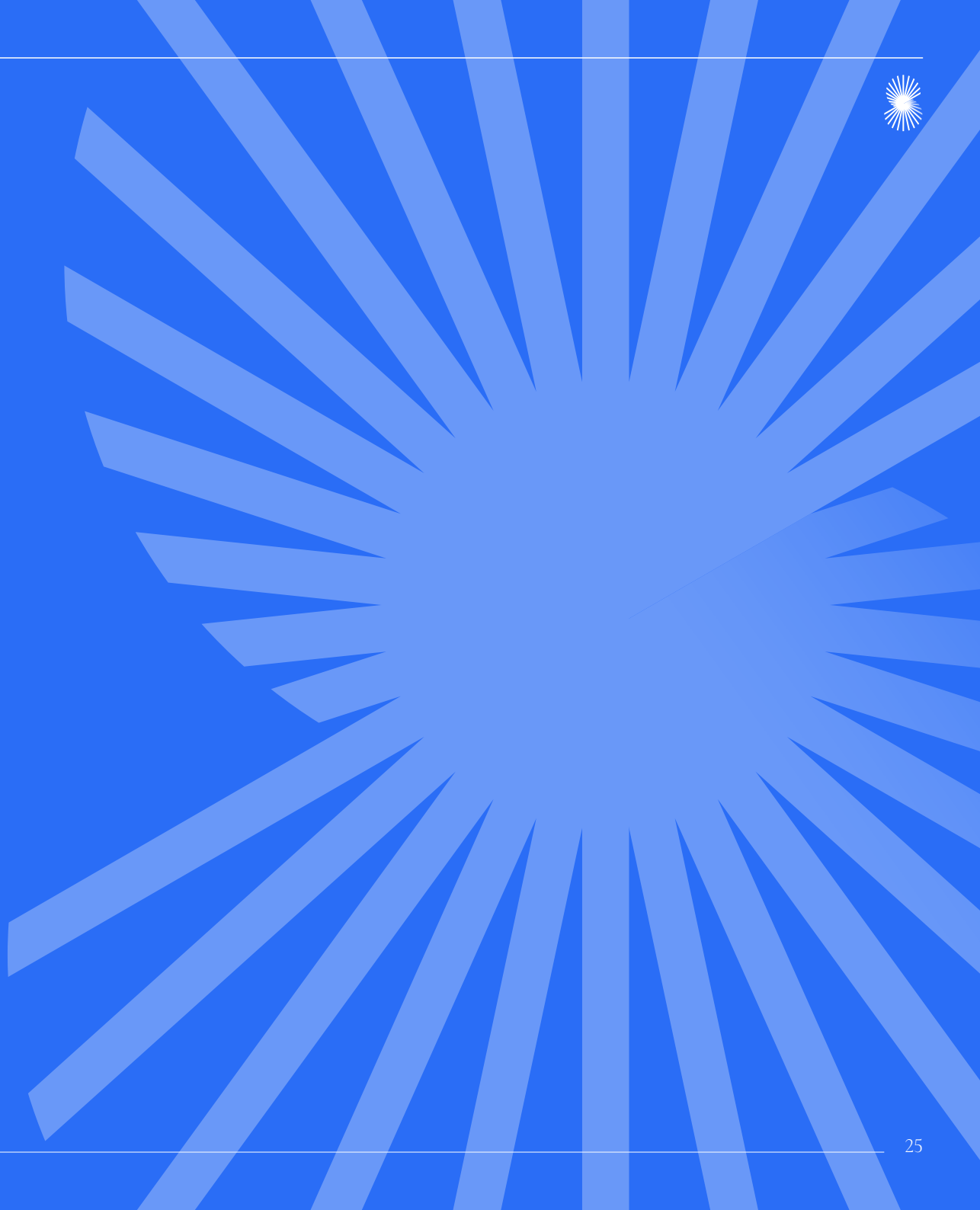
Graphic for illustrative purposes only

Scope 1
 Scope 2
 Scope 3 Upstream leased assets (Category 13)
 Scope 3 Purchased goods and services (Category 1)
 Carbon offsets





Climate resilience





Climate resilience

Climate resilience

We recognise the potential for climate-related physical risks to impact asset operability, affect the liveability of communities and bring about potential economic losses. Since 2011, Stockland has conducted portfolio level exposure mapping and more detailed asset-based climate resilience assessments. These risks and their financial implications are already included in our enterprise risk framework.

We have a bespoke climate resilience assessment methodology that sets out the criteria to assess the resilience of individual properties and their communities across all types of properties within our portfolio. We conduct a national mapping exercise based on the projected changes to climate variables. This helps us to identify the level of exposure for all assets in our portfolio, including those under development.

We have completed asset level assessments for our entire portfolio and will leverage this data to develop a more complete understanding of asset specific risk exposure to 2030 and at a portfolio level. Asset specific insights allow us to identify and accurately cost measures to mitigate any high risks and to align our capital expenditure to deliver them.

We continually implement initiatives to improve the resilience of our assets, thereby reducing the risk of business disruption to our customers and residents.

Our project teams consider climate-related risks and opportunities in asset design by including principles based criteria in our design guidelines and minimum standards. Improving resilience mitigates the potential future costs associated with maintenance, upgrade and emergency response initiatives.

Climate resilience assessments

Our climate resilience assessment methodology focuses on an asset's vulnerability to climate change, particularly its ability to endure severe weather impacts and operate without disruption. The methodology defines key resilience criteria, with a particular focus on location and design, structure, operation and maintenance, utilities and services, and stakeholders. These attributes are assessed for their exposure to:



Future climate effects

the degree of exposure a building has to adverse weather events based on its geographic location, such as North Queensland where there is a high exposure to cyclones.



Property elements

the physical and operational attributes of a building that make it vulnerable or resilient to those climate effects, such as the condition of box gutters expected to cope with high volumes of rainwater.



Climate risk

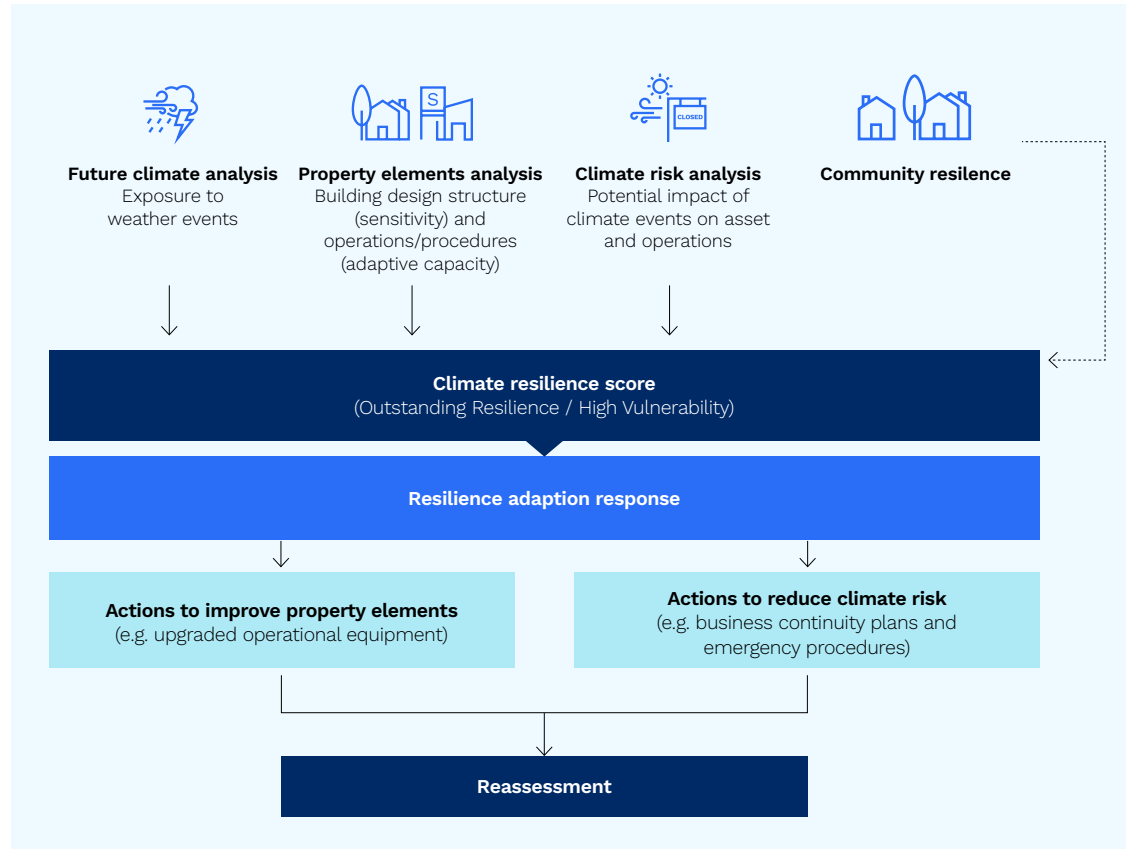
the potential impacts of weather-related events on a building based on its location and attributes, such as the loss of trade due to local flooding, bushfires or air conditioning failure on hot days.

Outcomes of our assessments are discussed with project and asset teams to help inform asset design and management. Climate resilience assessments are consolidated in a Group Resilience Assessment Tool to help us understand physical climate risk at a portfolio level. This tool provides results that can be benchmarked across Stockland's assets and portfolios in a centralised system. It now stores more than 10 years of climate resilience data, which is used for analytics across our portfolio to support decision making and investment.



Climate resilience

Climate and community resilience methodology



Community resilience

An assessment of community resilience is integrated as part of our broader climate resilience. Our Group Resilience Assessment Tool assesses known factors of community resilience such as social cohesion, economic viability and connectivity. The assessment process identifies how our community development planning can contribute to community resilience at our assets.

Key components of the assessment include:

- identifying and measuring the resilience of the asset against key features of a resilient community
- informing areas of improvement for community resilience to be implemented as part of community development initiatives within the asset or development.

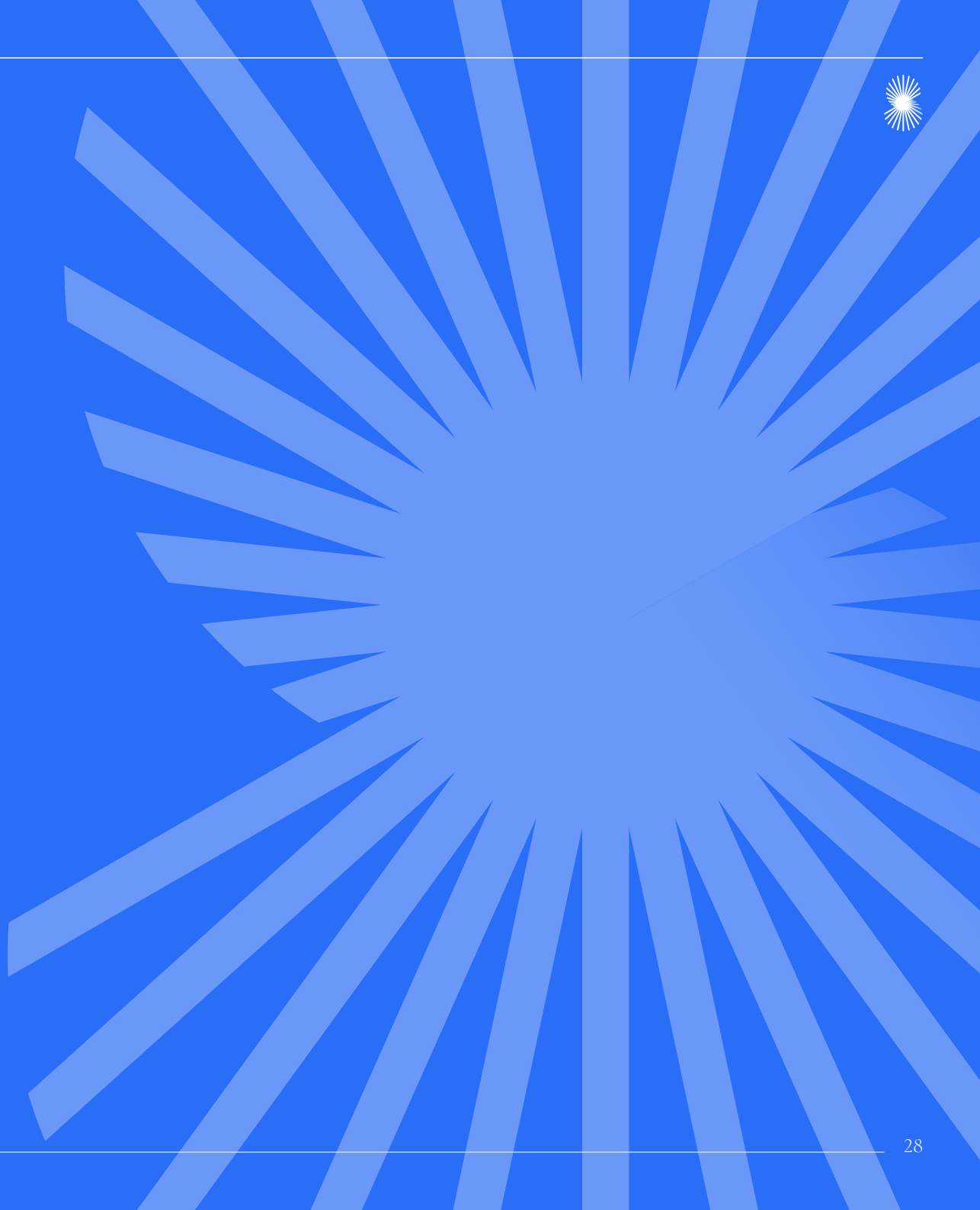
Assessing both climate and community resilience allows us to plan for the resilience of buildings and infrastructure as well as our residents’ ability to respond to significant climatic events. Our community resilience assessment provides a significant input into our social needs analysis for each project and asset location. From this we are able to determine what role we can play as a business in addressing unmet community needs, capturing the effectiveness of these solutions through our social impact tool, Social IQ.

The social impacts of our decarbonisation actions, and our investment in community infrastructure, are being tracked and leveraged to enhance social value created towards our target of over \$1 billion of social value created by 2030¹.

¹ Stockland's social value target and Social IQ Tool has been informed by global and domestic frameworks. Limited assurance on the methodology for the social value model and target provided by our ESG Assurance Partner, EY is available on our website www.stockland.com.au/sustainability



Governance





Governance

Governance

Timely access to leadership direction and support in relation to escalated risks and issues has been critical to the progress and momentum we have been making against this Plan and in ESG more broadly.





Governance

Implementation framework

ESG, including climate change, is integrated and embedded into the processes and systems across our business operations and project development life cycle, as described in our Environmental Management System. We have a proactive framework in place to support the implementation of our sustainability strategy across our communities and assets.

Development

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

All business units use a common project development life cycle, known as D-Life, which takes development opportunities from acquisition and concept stage through to planning and delivery. Each stage of the D-Life process specifies the delivery of specific ESG objectives. Physical climate-related risks are assessed at the earliest acquisition gates to make sure risks to assets are considered throughout the D-Life process.

These objectives and associated initiatives are outlined in our ESG policies, which supports our ESG strategy. In this way, we promote consistency in our ESG approach across all our developments.

Operations

For our operating assets, we establish annual asset-management plans aligned with our ESG strategy for all Commercial Property assets.

These plans incorporate strategic ESG initiatives and objectives. The Communities business completes an annual business planning process where ESG planning is included as part of budgeting.

Remuneration

To deliver a remuneration outcome which is a fair reflection of the quality of our overall performance and aligned to the experience of our stakeholders, the Board undertakes two steps when reviewing short term incentive outcomes.

The first step is to review performance against the objectives set in the STI Corporate Scorecard and the second step which involves reviewing a range of other data points, agreed and identified at the start of the year, to consider elements of performance not explicitly included in the STI Scorecard.

Stockland's ESG performance in alignment with the new ESG Strategy and this Plan is considered in both the STI Corporate Scorecard (i.e. the first step) as a strategic business priority and as part of the discretionary overlay (i.e., the second step) in determining short term incentive outcomes. Incorporating ESG performance in this way means that all measures in the scorecard, including financial, are impacted by ESG performance.

As part of our process to embed our Plan in our business-as-usual activities we will continue to consider how performance against these targets is reflected in executive remuneration in our periodic review of these criteria.

Reporting

Stockland has reported its management of climate risks and opportunities in alignment with the TCFD since 2018.

This report has been prepared with reference to:

- The Taskforce on Climate related Financial Disclosure Recommendations (TCFD)
- International Sustainability Standards Board (ISSB) climate guidance

Stockland will report on progress against the Plan annually and intends to review the Plan at least every three years or if our business circumstances change materially.



Governance

Capital alignment

For decades, Stockland has been using capital to make our business more sustainable to create value and deliver sustainable, long-term growth to our securityholders and stakeholders. Our capital allocation strategy recognises that:

- Our sector is a key contributor in the race to net zero
- Adaption is critical to Stockland’s success
- Demand is growing for investments with superior ESG credentials

Stockland uses a capital allocation framework to generate appropriate returns from our investments, while also managing the risks of the accelerating physical impacts of climate change, and aligns with our commitment to the rapid transition to a decarbonised global economy.

We are clear that funding climate resilience and decarbonisation is a financially prudent and commercially viable priority because of its role in attracting and retaining capital and customers. We believe our growing customer base will embrace our approach to decarbonisation.

We intend to provide appropriate requirements of capital to support key initiatives, recognising the specific requirements will vary depending on the ownership and funding structures we put in place.

Capital allocation framework

Our solutions need to be commercial so that we can sustain and scale our impacts. This is balanced in our capital allocation framework.

Investment returns		
Strict investment hurdles for our portfolio	Established return on invested capital (ROIC) targets for our development and recurring activities	Partnering with third party capital to generate higher returns and enable greater diversification of earnings and execution of our pipeline
Investment allocation criteria ¹		
Driving towards our target sector allocations; 30-50% Workplace and Logistics, 20-35% Residential (for sale and ownership), 20-30% Retail Town Centres, 0-5% Alternates	Allocation by activity 70-80% recurring, 20-30% development	Income mix 60% recurring, 40% development
Managing risk and our responsibility		
Reshaping our portfolio weighting, including appropriate divestments and redeployment into targeted areas	Reducing emissions and managing climate risk, impact on nature and First Nations engagement	Scenario analysis to stress test returns

All major capital investment and expenditure is approved by the Board and overseen by the Stockland Investment Committee. The Committee assess material investments for their:

- Alignment with investment criteria, including risk adjusted hurdle rates and key economic criteria.
- Strategic alignment and ability to create long-term value for our shareholders.
- Impact on ESG, with a focus on how they support our decarbonisation strategy and ensure we reach our net zero targets. Considerations such as nature, climate resilience, First Nations engagement and social impact are also reviewed.

¹ Criteria subject to change in alignment with Stockland market announcements



Governance

Advocacy

We are committed advocates for a fast, effective climate action. We use our memberships of industry associations to advocate our views on relevant policy.

This has included being an active member of the Green Building Council of Australian and the Property Council of Australia (PCA) to lead the sustainable transformation of the built environment.

We have supported the PCA’s work to introduce:

- A modernised National Construction Code with higher energy efficiency standards and a trajectory for future increases
- A single, national white certificate scheme, enabling building owners to trade their demonstrated reductions in energy consumption
- Targeted incentives for buildings that invest in energy efficiency and clean energy such as accelerated depreciation, planning incentives, stamp duty concessions and differential rates

Our Managing Director and CEO, Tarun Gupta, has been appointed as a National Vice President of the PCA in 2023.

We are also working with the Investor Group on Climate Change to shape a climate-resilient economy.

Stockland is part of the Materials and Embodied Carbon Leaders’ Alliance (MECLA) to drive reductions in embodied carbon in the buildings and construction industry.

Stockland is an active supporter of government, industry and non-profits to enable a just climate transition. For example, we are exploring opportunities to engage with the First Nation’s Clean Energy Network and similar expert organisations to make sure that First Nation’s communities share in the benefits of the clean energy boom and the sharing of knowledge and information between industry and community is maximised for mutual benefits.

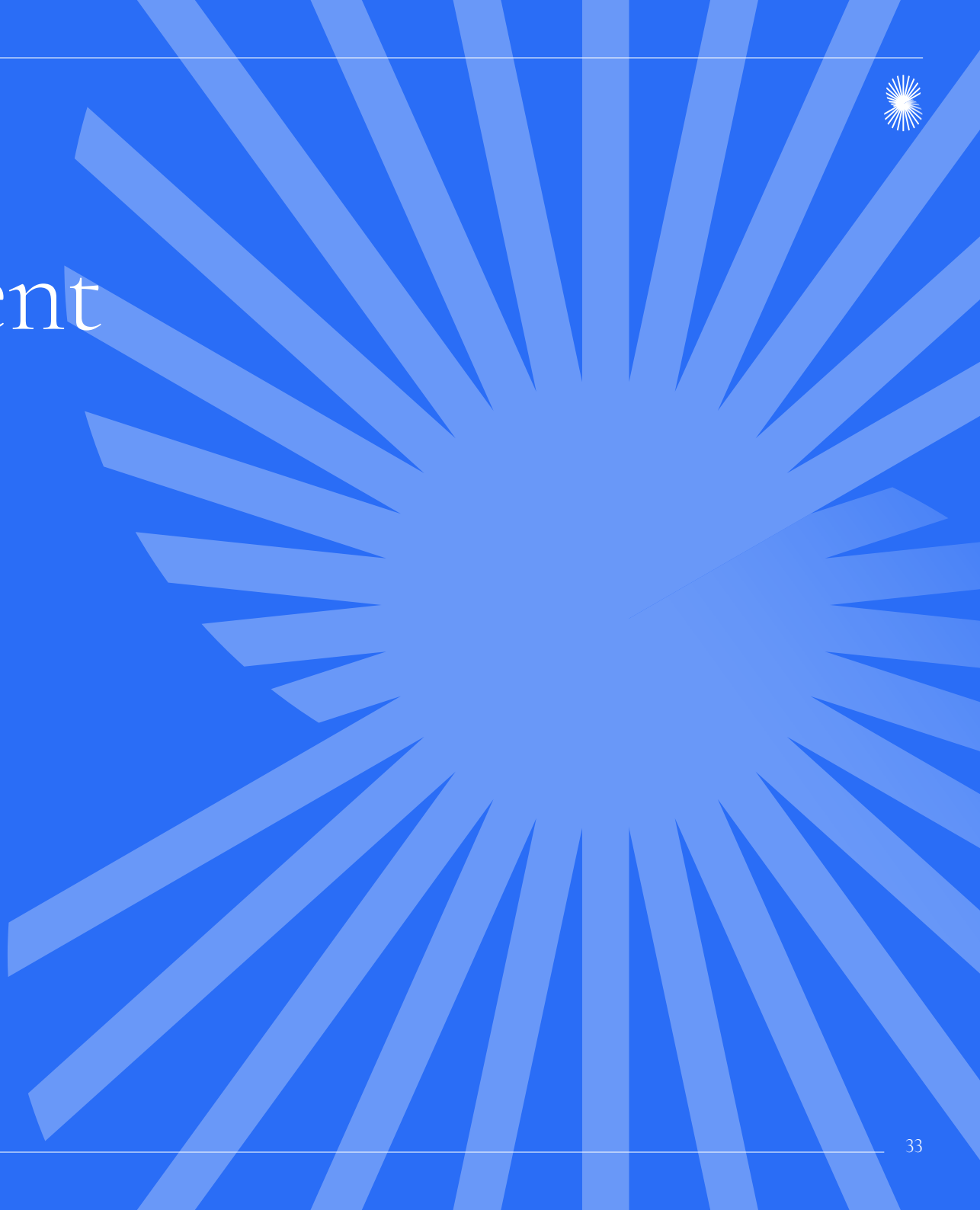


Industry-wide collaborations with:





Risk management





Risk management

Climate risk management

Climate risk is part of our Group Risk management framework¹. We acknowledge that climate-related risks will persist and escalate for the foreseeable future and the nature of these risks depends on complex factors such as policy change, technology development and market forces (transition risk). This is coupled with physical risk associated with changes to climatic conditions. How we design and operate our assets forms a key part of our climate risk management.

Transition risk

The scenario analysis process informs the business on transition risks and how they may evolve over time (see Scenario Analysis on page 36), including potential changes across: policy impacting development and building, liability, technology, financial markets, and reputation risk as against evolving investor, insurer, customer, supplier and broader community expectations. In recognition of our capacity to contribute to net zero carbon and to mitigate impacts associated with transition risks we have advanced our net zero target commitment, established medium term and long-term science based emission reduction targets and continue to advance our climate action in line with our decarbonisation pathway.

Potential opportunities related with this strategy include premium discounts from the insurance industry; partnering with energy producers to support technological innovation; and increased ability to attract tenants, customers and capital from organisations seeking to invest in lower-carbon products, such as green buildings.

The primary way in which Stockland can manage transition risks (and capture opportunities) is by decarbonising our business – as set out in this Plan. To support strategy and risk management in a dynamic environment, the Stockland Leadership Team and Board are regularly updated on existing and emerging market developments, including regulatory developments, that may impact on the business.

Managing climate-related transition risks and opportunities also involves participation in industry-wide collaborations that focus on how the property industry can transition to a lower-carbon economy.



¹ Reported in our Annual Report



Risk management

Climate risk management

Physical risks

Given the potential for climate-related physical risks to impact the operability of assets, affect the liveability of communities and bring about potential losses, we have included these risks and the potential financial implications in our enterprise risk framework.

As discussed on page 26 and below, we implement initiatives that seek to improve the resilience of our assets and thereby reduce the risk of business disruption to our customers and residents. Improving resilience also mitigates potential future costs associated with maintenance, upgrade and emergency response initiatives. This contributes to our position as a leading creator of places that meet the needs of our customers.

Asset design and ongoing operations

Our project teams consider climate-related risks and opportunities in the design of our assets by including principles-based criteria in our design guidelines and minimum standards. The outcomes of our climate scenario analysis are discussed with our project and assets teams to inform the design and management of our assets. We develop emergency management plans for our assets and update them as required. Our approach to climate resilience in our development projects includes a mandatory requirement for Retail Town Centre, Logistics and Workplace developments to address the climate resilience¹ requirements when targeting their Green Star rating.

Managing our physical risks and opportunities

We include climate and community resilience assessments in the asset-level risk management process. These assessments focus on the capacity of assets and associated communities to withstand severe weather impacts and minimise any disruption, while providing support for the local community. For assets under development, the management of climate-related risks and opportunities is integrated into our project development lifecycle, known as D-Life. The D-Life process requires the delivery of specific sustainability objectives, including climate-related risk assessments at defined approval gates. Mitigation actions identified in assessments are prioritised based on the following.

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

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

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

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

Recommendations for minimising the impacts of physical risks may include:

The implementation of operational responses, maintenance regimes, emergency response plans and community development programs that focus on improving the health and wellbeing of our communities. While we acknowledge that managing climate change risk can involve additional costs, we believe that creating resilient assets in a lower-carbon world will generate long-term total returns sufficient to offset these upfront costs.

¹ All new Retail Town Centre, Logistics and Workplace developments must achieve a Green Star rating as per our policy.



Risk management

Scenario analysis

Amidst the uncertainty and multitude of pathways that could result from climate change, scenario analysis is a critical tool to test and understand concentrations of risk, resilience and areas of opportunity within our business model.

In 2022, Stockland refreshed the climate scenarios used to assess the physical and transition risks and opportunities that could emerge from a changing climate. Insight from this analysis, which uses data from the International Energy Agency (IEA) and the latest climate science and models from the Intergovernmental Panel on Climate Change (IPCC), was used to inform the strategic priorities of this Plan.

Our analysis combines high level quantitative assessment of potential financial implications, with qualitative assessment of the implications of emerging market trends, risks and opportunities over short, medium and long term. This included the following components:

- calculating costs associated with raw materials, development, operating costs and compliance across Stockland's value chain;
- revenues – considering how changes in Australia's climate, customer preferences and the regulatory environment may impact Stockland's recurring and non-recurring revenue by considering upside opportunity and downside risk;
- asset valuation – assessing high level impact of physical and transition risks on Stockland's asset valuations by considering physical risks from climate stress with implications from changing market dynamics which provide opportunities for innovation and differentiation;
- capital markets – considerations arising from changing market dynamics in debt, equity, government funding and insurance markets.

This analysis provided portfolio-level insights regarding concentrations of risks and opportunities across asset classes. All insights are used as inputs into our overall risk management framework and have informed the development of our ESG integrated business strategy and this Plan.



For more information on key scenario inputs please refer to the Reference Tables on page 42





Risk management

Scenarios

Scenarios were selected to stress test Stockland's business model against a high transition and a high physical risk scenario. The scenarios were designed to be plausible, distinctive, relevant, and challenging. IEA datasets were used to inform transition risk assumptions with the IEA providing reasonable granularity on implications for the built environment sector under different transition pathways. IPCC Representative Concentration Pathways (RCPs) were used to inform physical risk assumptions. These datasets were deployed to inform the design of two plausible futures.

Below2

Orderly decarbonisation

- A scenario where global warming is limited to below 2°C above pre-industrial levels by rapid low-carbon policy and technology innovation, limiting physical climate change impacts
- High transition risk
- Lower relative physical risk

Illustrative scenario features

- Rapid increase in low-carbon energy investment
- Climate risks priced through global carbon pricing
- High-energy efficiency standards imposed on buildings

Uses IEA Net Zero Emissions and IPCC RCP2.6 datasets

Above3

Failure to decarbonise

- A scenario where business as usual continues, global warming goes beyond 3°C above pre-industrial levels, and physical climate impacts are exacerbated
- High physical risk
- Lower relative transition risk

Illustrative scenario features

- Global supply chains and distribution are disrupted
- Assets become uninsurable or stranded due to climate events
- Climate-related migration results in demographic changes

Uses IEA STEP and IPCC RCP8.5 datasets

The following tables summarise the implications and findings for Stockland. It is followed by a summary of how our business is responding to these risks, including actions in this Plan.



For more information on key scenario inputs please refer to the Reference Tables on page 42



Risk management

Below2

Impact of climate-related risks and opportunities on Stockland’s businesses, strategy and financial planning under this scenario.

High transition risk | Lower relative physical risk

A scenario where climate action is sufficient to meet international goals and as a result, global warming is restricted to <2°C above pre-industrial levels. This is achieved through rapid and disruptive transitioning to a lower-carbon economy through extensive policy, legal, technology and market changes, posing varying levels of financial and reputational risk to unprepared organisations.

Transition – Policy assumptions

Stockland is protected from carbon pricing risks across its operations to some extent due to relatively low Scope 1 and 2 emissions as a proportion of value chain emissions. As such, direct carbon pricing is not financially material as a proportion of operating costs. Our Scope 1 and 2 emissions reduction target to achieve net zero by 2025 will further reduce these direct impacts over time.

Our indirect exposure to carbon pricing across our supply chain has the potential to be more material given upstream emissions from purchased goods and services are a significant part of our total Scope 3 emissions. If emissions associated with raw materials production are priced, this could impact the business indirectly through cost pass through from suppliers.

The extent of the cost pass through will depend on the ability to substitute of raw materials, the availability of lower-carbon alternatives and the price elasticity of demand. As such, integrating climate considerations into raw material procurement and scaling up lower-carbon materials will be important in a below 2°C scenario.

Transition – Market assumptions

The transition to a decarbonised economy is changing how people live, work and transport goods. Stockland has opportunities to re-align its asset base to a lower-carbon trajectory in line with changing customer preferences. These include:

- Increasing our use of renewables to generate energy used on-site and off-site
- Scaling up lower-carbon materials use
- Recycling materials
- Deploying smart energy technologies
- Investing in nature.

Our commercial assets are well positioned to capitalise on lower-carbon opportunities due to our tenants' momentum on climate driving higher willingness to pay. Stockland also has more control over the operations of these assets compared to our Communities business and therefore more influence over downstream emissions.

The business may also face new carbon reporting expectations from stakeholders, including regulators, securityholders and employees, likely requiring deeper and broader compliance and disclosure costs. Executing a robust decarbonisation Plan could create the opportunity to lower the cost of capital by leveraging sustainable finance.

Transition – Physical assumptions

Despite physical climate risks being minimised due to global temperatures being kept below 2°C above pre-industrial levels, changes to the global climate are still inevitable due to historical emissions. This is particularly relevant in the Australian market, which has already seen 1.4-°C of warming on average across the country impacting assets, operations, and supply chain.

Investment in adaptation and resilience will therefore be critical under both scenarios. This will include:

- Designing and delivering climate resilient assets
- Refurbishing buildings to account for heat stress
- Accounting for supply chain disruptions and cost fluctuations.



Risk management

Above3

Impact of climate-related risks and opportunities on Stockland’s business, strategy and financial planning.

High physical risk | Lower relative transition risk

This scenario assumes that, due to a global failure to introduce policy and market mechanisms to manage climate impacts, physical climate impacts become more frequent and intense under a >3°C scenario. These impacts significantly affect vulnerable communities and global supply chains, and drive operational disruption across economically productive assets, resulting in stranded assets in highly exposed regions.

Physical – acute

Exposure to acute physical risks including fire, intensified rainfall and flood risk have the potential to impact Stockland’s revenues and increased costs of maintenance and damage recovery by causing operational disruption across our commercial asset base. Risks to insurance coverage also increase for assets. Australia’s unique geoclimatic characteristics expose it to acute physical risks. Our business, alongside all those of other asset owners will face similar exposure levels. As such, investments in resilience will be critical to protect demand.

Physical risks will also likely impact multiple stages of Stockland’s supply chain, potentially leading to higher price volatility and supply chain disruption. This will be particularly significant for raw materials with low levels of supply chain diversification and high procurement dependency. Building supply chain resilience through diversification and the continued incorporation of physical risk management practices into the business, will be necessary to manage these risks.

Physical – chronic

Exposure to chronic physical risks, including heat stress and drought, have the potential to increase Stockland’s development costs and drive development delays. Heat stress in particular can lead to reduced operational efficiency and worker injury. In extreme circumstances, it might lower our overall workforce supply. We can expect increasing labour costs due to greater downtime and health and safety compliance expenses. To manage these risks, we must integrate chronic physical risk assessments into our investment appraisal and development plans across all pipeline sites.

Transition

Transition risks are unlikely to be directly material in this scenario (at least in the short-, and medium-term), given the scenario is predicated on a failure to transition to a lower-carbon economy.



Risk management

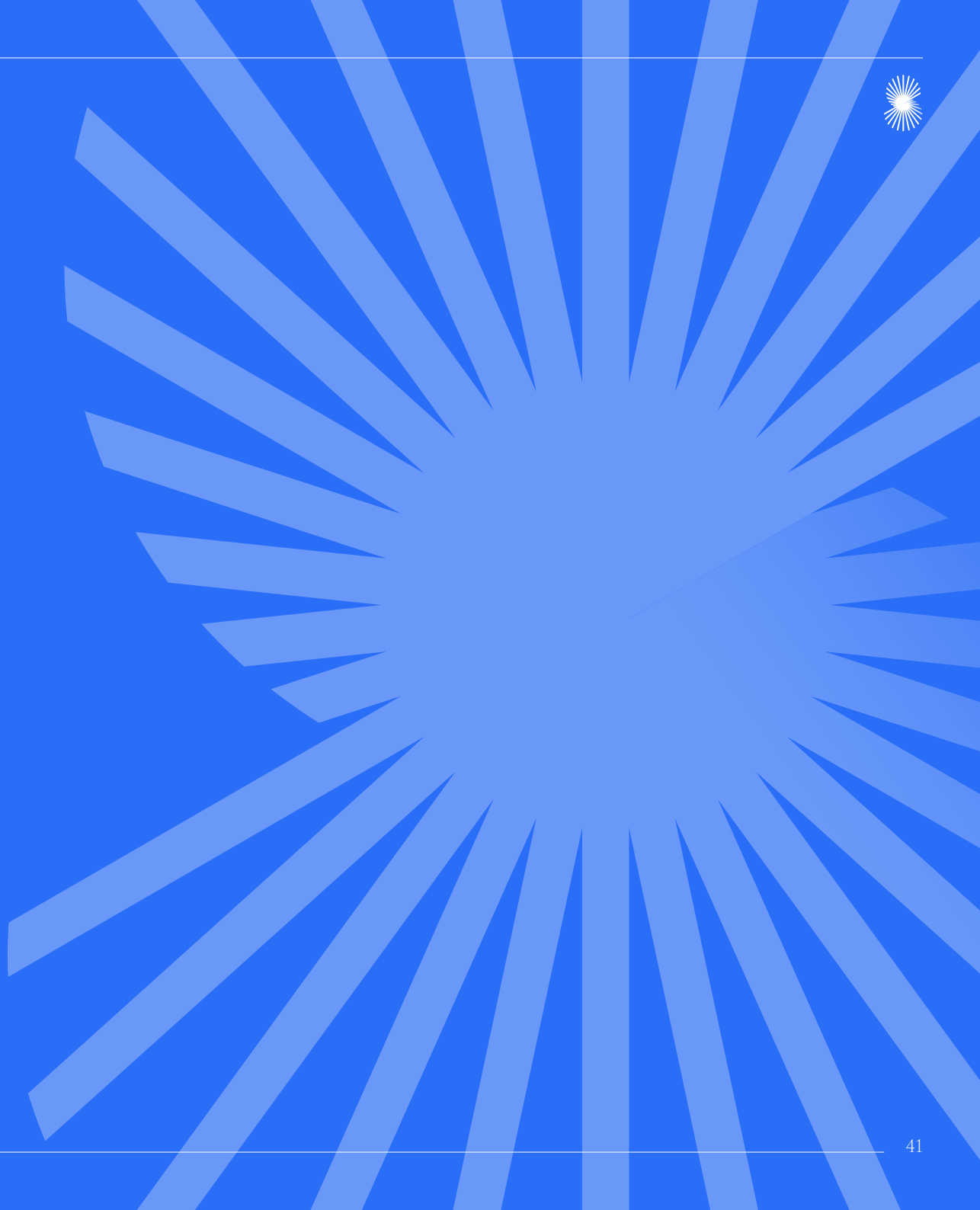
Our response

In response to these scenarios our Plan includes strategic actions to:

	<p>Bring forward our Scope 1 and 2 net zero target to 2025 and minimise direct liabilities to carbon pricing over time.</p>		<p>Engage with partners to secure lower carbon material solutions.</p>
	<p>Increase the use of renewables to generate energy used on-site and off-site, and align with changing customer preferences.</p>		<p>Completed climate resilience assessments across 100% of our assets and developments.</p>
	<p>Enhance our influence to drive down emissions from leased assets by increasing adoption of green leases, improving energy efficiency and energy supply of base buildings and providing greater access to renewable energy.</p>		<p>Continue investing in asset adaptation and physical resilience measures to mitigate our risks leveraging asset resilience assessments.</p>
	<p>Scale up our adoption of lower carbon materials to minimise indirect exposure to carbon pricing.</p>		<p>Continually improve investment governance processes in line with our climate risks and updated external climate models and projections.</p>
	<p>Diversify our supply chain and explore product substitution options; for example, by switching from steel to timber frames for Land Lease homes.</p>		



Reference tables





Reference tables

Stockland GHG Inventory

Emissions description		Organisational relevance	Business activity	Level of control	FY21 emissions (tCO ₂ -e)	% of Scope 3	Included in near-term target
Scope 1	Direct emissions from sources owned or controlled by Stockland, including by burning fuels	Yes	<ul style="list-style-type: none"> • Vehicle fleet emissions • Gas consumption • Refrigerants from base build systems 	Direct control through data capture and procurement decisions	4,411	n/a	Yes
Scope 2 (Market Based)	Indirect emissions from Stockland's electricity use	Yes	Electricity consumption at: <ul style="list-style-type: none"> • Logistics Centres • Retail Town Centres • Workplace and business parks • Corporate tenancies • Sales centres and community facilities in Land Lease Communities 	Direct control through data capture and procurement decisions	63,955	n/a	Yes
Scope 3 Upstream emissions	Category 1 – Purchased goods and services	Yes	Embodied emissions from materials used to deliver: <ul style="list-style-type: none"> • Housing that Stockland develops • Groundworks, roads and community infrastructure • Commercial Property upgrades and maintenance, e.g. HVAC, lighting, façade and roofs. 	Partner with our suppliers to reduce the upstream emissions in our supply chain	205,585	46%	Yes
	Category 2 – Capital Goods	No					
	Category 3 – Fuel and energy related activities	Yes	Upstream emissions of purchased fuels and transmission and distribution losses from electricity	Low to none	6,433	1%	No
	Category 4 – Upstream transport and distribution	Yes	Upstream transport of construction materials. These activities are included in Category 1				
	Category 5 – Waste generated in operations	Yes	Waste in operations	Low	8,974	2%	No
	Category 6 – Business Travel	Yes	Flights and hotels	Low	1,940	<1%	No
	Category 7 – Employee commuting	No					
	Category 8 – Upstream leased assets	No					



Reference tables

Stockland GHG Inventory

Emissions description	Organisational relevance	Business activity	Level of control	FY21 emissions (tCO ₂ -e)	% of Scope 3	Included in target	
Scope 3 downstream emissions	Category 9 – Downstream transportation and distribution	No					
	Category 10 – Processing of sold products	No					
	Category 11 – Use of sold products	Yes	Energy use from equipment sold with a home. House builders' construction emissions from delivery of housing on Sold Lots	Influence our customers to reduce their Scope 1 & 2 emissions	31,101	7%	No
	Category 12 – End-of-life treatment of sold products	No					
	Category 13 – Downstream leased assets	Yes	Tenant energy use from <ul style="list-style-type: none"> – Logistics centres (from equipment provided with lease) – Retail Town Centres – Workplaces – Build to rent (from appliances provided with lease) 	Influence our customers to reduce their Scope 1 & 2 emissions	190,637	43%	Yes
	Category 14 – Franchises	No					
	Category 15 – Investments	No					



Reference tables

Excluded activities

Emissions	Category	Excluded activities
Scope 3 upstream emissions	Category 1 – Purchased goods and services	<i>Procurement of corporate goods and services: ICT, office supplies, professional services, due to low materiality</i>
	Category 2 – Capital goods	<i>Activities have been included in Category 1</i>
	Category 3 – Fuel and energy related	
	Category 4 – Upstream transport and distribution	<i>All activities relating to the transportation of materials are already included in Category 1. Transportation of corporate goods are excluded</i>
	Category 5 – Waste generated in operations	
	Category 6 – Business travel	<i>Incidental travel not captured through booking agents and expense transactions</i>
	Category 7 – Employee commuting	<i>All activities due to low materiality determined based on regionalised data</i>
	Category 8 – Upstream leased assets	<i>Not applicable to business activities</i>
Scope 3 downstream emissions	Category 9 – Downstream transportation and distribution	<i>Not applicable to business activities</i>
	Category 10 – Processing of sold products	<i>Not applicable to business activities</i>
	Category 11 – Use of sold products	<i>Embodied emissions of materials for products constructed by others, and indirect-use energy (home appliances not supplied with sold home)</i>
	Category 12 – End-of-life treatment of sold products	<i>End of life of buildings and building materials due to low materiality and low data availability</i>
	Category 13 – Downstream leased assets	<i>Procurement of materials for the purpose of regular maintenance and repair as this is included in Category 1</i>
	Category 14 – Franchises	<i>Not applicable to business activities</i>
	Category 15 – Investments	<i>All activities are captured across other scope 3 categories</i>

Notes Stockland has adjusted our FY21 emissions baseline to reflect material changes to our portfolio of assets and hence emissions. This includes the divestment of our retirement living business and acquisition of Halcyon (Land Lease Communities (LLC)).

In addition, emissions from third party principal contractor fuels and energy consumption were previously incorrectly classed as scope 1 and 2 emissions. As Stockland has no operational or financial control over contractor activities, these emission fall under our value chain (scope 3) emissions. They have been reclassified as such in the final version of our emissions baseline.

Scope 3 Category 1 base year emissions have been estimated by multiplying development areas for each asset type against benchmark emission factors from publicly available Life Cycle Assessments (LCAs) or emission factors established through LCAs of Stockland assets conducted by an external consultant.

Scope 3 Category 11 base year emissions accounts for the emissions of sold products over 40-years at the settlement year. This was estimated by multiplying electricity consumption benchmark figures by an area metric and the cumulative sum of emission factors over 40 years.

Scope 3 Category 13 base year emissions were estimated using benchmark electricity consumption rates, Gross Lettable Area (GLA) for Stockland's leased assets (Offices, Logistics and Retail Town Centres), and the market-based emissions accounting method.



Reference tables

Emissions trajectory assumptions

Emission causing activity assumptions	Emission reduction assumptions
<p>Scope 1 – Business growth in stabilised assets has been converted into Scope 1 emissions forecasts through energy benchmarking current Stockland assets. This represents a conservative view due to likely electrification of developments and assets.</p>	<p>Scope 1 – No emission reductions have been assumed for Scope 1. This represents the most conservative view of Scope 1. This has been assumed due to uncertainty in timelines of replacing gas equipment.</p>
<p>Scope 2 – Business growth in stabilised assets has been converted into Scope 2 emissions forecasts through energy benchmarking current Stockland assets. This represents a conservative view due to the likely efficiency improvements of developments and assets.</p>	<p>Scope 2 – The AEMO 2022 ISP ‘Progressive Change’ electricity grid decarbonisation scenario has been used as base case. AEMO forecast this scenario to be most likely. Additional reductions in Scope 2 have been adopted from the business as a linear increase to 100% renewable electricity in operation by 2028.</p>
<p>Scope 3 Category 1 – Purchased Goods & Services – Development pipeline from the business has been converted into Category 1 emissions forecasts through high level embodied emission calculations from existing Stockland developments where possible, public benchmarks have been used in absence of Stockland benchmarks.</p>	<p>Scope 3 Category 1 – Purchased Goods & Services – A decarbonisation pathway has been established for each asset type. The pathways make assumptions about availability of lower-carbon materials such as concrete and steel. The technologies currently exist but not at scale, it is assumed these materials will be at scale from 2028 onwards.</p>
<p>Scope 3 Category 11 – Use of Sold Products – Development pipeline from the business has been converted into Category 11 emissions through bottom-up calculations for houses and apartments using typical inclusions at dwelling sale such as air-conditioning, hot water and lights. A 40 year use of product has been assumed for the calculations.</p>	<p>Scope 3 Category 11 – Use of Sold Products – The AEMO 2022 ISP ‘Progressive Change’ electricity grid decarbonisation scenario has been used as base case. The decarbonisation pathway assumes a linear increase in homes sold with roof top solar to 100% in 2025 and 100% apartments sold with 20 year renewable energy contract.</p>
<p>Scope 3 Category 13 – Downstream Leased Assets – Development pipeline from the business has been converted into Category 13 emissions through tenant energy benchmarks and bottomup calculations, public benchmarks such as NABERS Tenancy ratings have been used in absence of Stockland benchmarks.</p>	<p>Scope 3 Category 13 – Downstream Leased Assets – The AEMO 2022 ISP ‘Progressive Change’ electricity grid emissions forecasts through has been used as base case. Tenant’s own public commitments to 100% renewable electricity have been included. The decarbonisation pathway assumes that every tenancy is converted to 100% renewable energy at the start or renewal of lease.</p>
<p>Scope 3 All other Categories – Business growth in stabilised assets and developments has been converted into the remaining and included categories such as Category 5 Waste in Operations and Category 3 – Energy & Fuel related activities.</p>	<p>Scope 3 All other Categories – No emission reductions have been assumed for the remaining categories. This represents the most conservative view.</p>



Reference tables

Scenario analysis assumptions and key inputs

Below2 Scenario assumptions¹

By 2030	By 2050
<ul style="list-style-type: none"> • \$140 USD/tCO₂-e carbon prices estimated in advanced economies 	<ul style="list-style-type: none"> • \$250 USD/tCO₂-e carbon prices estimated in advanced economies
<ul style="list-style-type: none"> • Clean technologies ramp up significantly, with a 350% jump in new Renewable Energy capacity (Wind & Solar), and more than a 1500% jump in EV sales 	<ul style="list-style-type: none"> • Net zero achieved globally
<ul style="list-style-type: none"> • Capital costs (USD/kw) for solar reduce by 43%, and for wind by 5% 	<ul style="list-style-type: none"> • Clean technologies continue to ramp up, with 90,000 H2 refuelling units, 100% of car sales being EV, and 90% of all electricity coming from renewables
<ul style="list-style-type: none"> • CO₂-e emission from steel reduce by 24%, despite a 10% increase in production levels 	<ul style="list-style-type: none"> • Capital costs (USD/kw) for solar reduce by 60%, and for wind by 15%
<ul style="list-style-type: none"> • CO₂-e emission from cement reduce by 19%, despite a 5% increase in production levels 	<ul style="list-style-type: none"> • CO₂-e emission from steel reduce by 90%, despite a 12% increase in production levels
<ul style="list-style-type: none"> • All new buildings are zero-carbon ready 	<ul style="list-style-type: none"> • CO₂-e emission from cement reduce by 94%, despite no change in production levels
<ul style="list-style-type: none"> • Extreme acute and chronic physical related events (per 10 and 50 years), such as extreme heat, precipitation, and drought, will occur on average 2.5 times more often globally by 2030, in line with the IPCC's RCP2.6 	<ul style="list-style-type: none"> • Carbon emission of new construction falls by 95%
	<ul style="list-style-type: none"> • 85% of all buildings zero-carbon ready
	<ul style="list-style-type: none"> • Extreme acute and chronic physical related events (per 10 and 50 years), such as extreme heat, precipitation, and drought, will occur on average 4.0 times more often globally by 2050, in line with the IPCC's RCP2.6

Above3 Scenario assumptions²

By 2030	By 2050
<ul style="list-style-type: none"> • Physical climate impacts dominate the forward looking risk profile, with extreme acute and chronic physical related events (per 10 and 50 years) occurring on average four times more often globally by 2030, in line with the IPCC's RCP 8.5. 	<ul style="list-style-type: none"> • Physical climate impacts continue to dominate the forward looking risk profile, with extreme acute and chronic physical related events (per 10 and 50 years), such as extreme heat, precipitation, and drought, occurring on average 15 times more often globally by 2050, in line with the IPCC's RCP8.5.
<ul style="list-style-type: none"> • In the Australian context the most material acute physical risks are flood and fire risk, the former being most pronounced in Queensland, followed by NT and northern WA and the latter being most pronounced in NT, Western Australia and South Australia. 	<ul style="list-style-type: none"> • The geographical distribution of exposures in Australia remains broadly consistent with 2030.
<ul style="list-style-type: none"> • The most material chronic physical risks are heat stress and drought with the former being pronounced across most parts of Australia and the latter being most pronounced in South Australia. 	<ul style="list-style-type: none"> • Increased frequency and severity of extreme weather will also disrupt supply chains resulting in supply constraints, delays and price volatility.
<ul style="list-style-type: none"> • Increased frequency and severity of extreme weather will also disrupt supply chains resulting in supply constraints, delays and price volatility. 	<ul style="list-style-type: none"> • Global climate goals of achieving net-zero by 2050 will not be met.
<ul style="list-style-type: none"> • Emissions will continue to increase out to 2030 due to limited and fragmented climate policy and market reform. 	

1 IEA, World Energy Outlook 2022, available at: <https://iea.blob.core.windows.net/assets/c282400e-00b0-4edf-9a8e-6f2ca6536ec8/WorldEnergyOutlook2022.pdf>

2 IEA, Global Energy and Climate Model, available at: <https://iea.blob.core.windows.net/assets/2db1f4ab-85c0-4dd0-9a57-32e542556a49/GlobalEnergyandClimateModelDocumentation2022.pdf>



Reference tables

TCFD recommendations reference tables

Stockland supports the work of the TCFD and has been reporting in accordance with the recommendations since 2016. The table below provides a guide on where to find the recommended disclosures within Stockland's reporting.

Governance		Risk management	
Recommended disclosures	Where to find supporting documents	Recommended disclosures	Where to find supporting documents
A. Describe the board's oversight of climate – related risks and opportunities.	Governance, page 29	A. Describe the organization's processes for identifying and assessing climate-related risks.	Risk Management, page 35
B. Describe management's role in assessing and managing climate-related risks and opportunities.	Governance, page 29	B. Describe the organisation's process for managing climate related risks.	Risk Management, page 35
		C. Describe how processes for identifying, assessing and managing risks are integrated into the organisations overall risk management	Risk Management, page 35
Strategy		Metrics and targets	
Recommended disclosures	Where to find supporting documents	Recommended disclosures	Where to find supporting documents
A. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Scenario analysis, page 36	A. Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	Our decarbonisation pathway, page 12; Climate resilience, page 26, Annual Report, Annual ESG Data Pack
B. Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Scenario analysis, page 36	B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Our carbon footprint, page 9, Annual Report, Annual ESG Data Pack
C. Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.	Scenario analysis, page 36	C. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Our decarbonisation pathway, page 12; Climate resilience, page 26, Annual Report, Annual ESG Data Pack



Assurance Statement



Independent Limited Assurance Statement to the Management and Directors of Stockland Corporation Limited

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by Stockland Corporation Limited ('Stockland') to undertake a limited assurance engagement as defined by Australian Auditing Standards, here after referred to as a 'review', over the selected Subject Matter defined below which is presented in Stockland's Climate Transition Action Plan ('CTAP'). Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed the following Subject Matter:

- ▶ Emissions reduction targets limited to the following:
 - ▶ Scope 1 and 2 emissions reduction target: Net zero Scope 1 & 2 by 2025
 - ▶ Scope 3 emissions reduction target: Scope 3 emissions intensity halved by 2030
- ▶ FY21 Scope 1, 2 and 3 emissions baseline (expressed in tonnes of carbon dioxide equivalent (tCO₂-e))
- ▶ Other selected disclosures presented within Stockland's CTAP ('selected performance information'), limited to the selected performance information shown in the table below:

Table 1: Selected performance information	
Our carbon footprint	Pages 8-10
Our decarbonisation pathway	Pages 11-24
Climate resilience	Pages 25-27
Governance	Pages 28-32
Risk Management	Pages 33-40

Criteria applied by Stockland

In preparing the selected Subject Matter Stockland applied the following Criteria:

- ▶ Science-Based Target Initiative (SBTi) Criteria and Recommendations version 5.1 April 2023
- ▶ Science-Based Target Initiative (SBTi) Foundations of Science-based Target Setting' version 1.0 April 2019
- ▶ Greenhouse Gas Protocol: A Corporate Accounting Reporting Standard
- ▶ Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard
- ▶ Recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Key responsibilities

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Stockland's responsibility

Stockland's management is responsible for selecting the Criteria, and for presenting the Annual Reporting in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000'), *Assurance Engagements on Greenhouse Gas Statements* ('ASAE3410') and the terms of reference for this engagement, as agreed with Stockland on 8 March 2023 and any addendums. Those standards require that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

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Liability limited by a scheme approved under Professional Standards Legislation

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the CTAP and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- ▶ Interviewed Stockland personnel to obtain an understanding of management's approach to defining, developing, and measuring the emissions baseline, emissions reductions targets and to selecting reference material that have been utilised to support the development of the targets, as well as the underlying management approach applied to support the selected disclosures as presented within the CTAP
- ▶ Checked Stockland's approach to developing its emissions reduction targets and whether the scenarios applied were consistent with the defined Criteria
- ▶ Tested, on a sample basis, the accuracy of the disclosures, including the emissions reduction targets and emissions baseline, to underlying source information and the alignment to the defined Criteria
- ▶ Tested that calculations applied have been performed in accordance with the methodologies outlined in the Criteria, and tested assumptions supporting these calculations
- ▶ Read the draft CTAP, related disclosures and other information, and tested a sample of management assertions and claims made in the CTAP to underlying source information.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Subject Matter. Our report does not extend to any disclosures or assertions made by Stockland relating to future performance plans and/or strategies disclosed in the CTAP.

Use of our Assurance Statement

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Stockland or for any purpose other than that for which it was prepared.

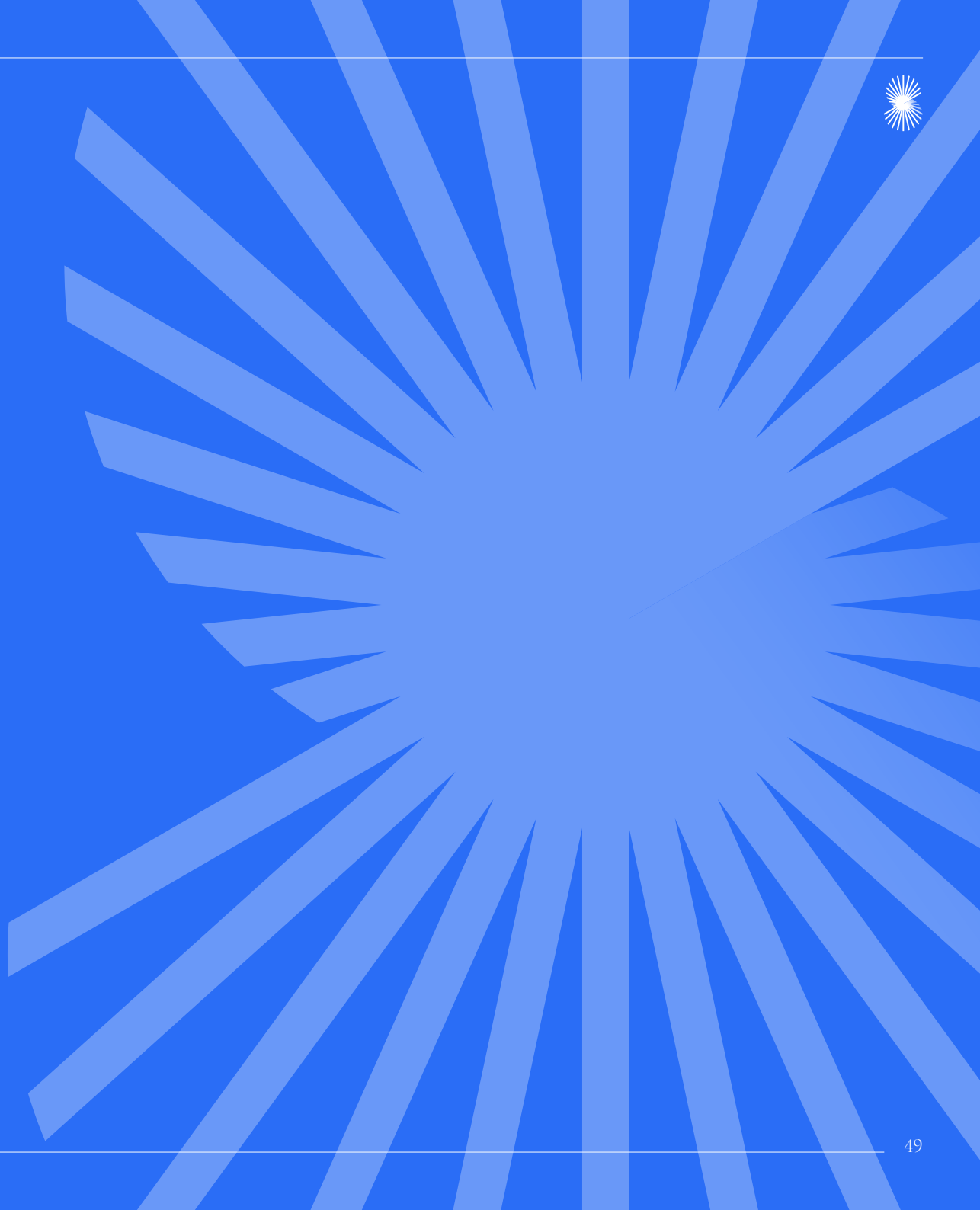
Nicky Landsbergen
Partner

23 August 2023

Ernst & Young
Sydney, Australia



Glossary





Glossary

Key terms

Term	Definition
AEMO	Australian Energy Market Operator
Carbon offset	Credits derived from activities that prevent, reduce or remove greenhouse gas emissions from being released into the atmosphere. Under greenhouse gas accounting, offsets can be used to compensate for emissions occurring elsewhere.
Embedded network	In some sites such as shopping centres, the electrical wiring is configured in such a way as to enable the owner of the site to sell energy to all the tenants or residents based there.
Embodied emissions	The calculated environmental impacts consumed during the life cycle of products used to construct a built environment project. These include emissions from raw material extraction through product end-of-life. Embodied emissions are Scope 3 emissions reported as Category 1: Purchased goods and services.
Emission intensity	A reduction in emissions (kgCO ₂ -e) relative to area (m ²) nominally Gross Lettable Area (GLA)
GHG (greenhouse gas) emissions	Gases that contribute to climate change including carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃). Measured in equivalent tonnes of carbon dioxide (t CO ₂ -e). Sometimes also referred to as carbon emissions. ¹
GHG Protocol	The world's most widely used corporate accounting and reporting standard relating to greenhouse gas emissions. ¹
International Sustainability Standards Board (ISSB)	Assessment of the greenhouse gas emissions (or broader environmental impact) associated with the full life cycle of a product or service.
Nature positive	A systemic goal urging to halt and reverse nature loss measured from a baseline of 2020, through increasing the health, abundance, diversity and resilience of species, populations and ecosystems so that by 2030 nature is visibly and measurably on the path of recovery (Naturepositive.org).
Net zero emissions	Net zero emissions are achieved when anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals over a specified period.
NGERS (National Greenhouse and Energy Reporting Scheme)	Australia's national framework for mandatory reporting and disseminating company information about greenhouse gas emissions, energy production and energy consumption.
Paris Agreement	A legally binding international treaty on climate change. It was adopted by 196 Parties at the 21st Conference of the Parties under the United Nations Framework Convention on Climate Change (UNFCCC) in Paris in 2015. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. To achieve this long-term temperature goal, countries aim to reach global peaking of greenhouse gas emissions as soon as possible to achieve a climate neutral world by mid-century.
SBTi	The Science Based Targets initiative drives ambitious climate action in the private sector by enabling organisations to set science-based emissions reduction targets.

¹ Greenhouse Gas Protocol <https://ghgprotocol.org/>



Glossary

Key terms

Term	Definition
Science Based Targets (SBTs)	GHG emissions reduction targets that are informed by independent climate science. SBTs have shifted the focus from what a company believes it can do to reduce emissions, to what a company should do to contribute its 'fair share' to meeting the goals of the Paris Agreement.
Scope 1	Direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organisation. In the property context this includes, for example, emissions from fuels (petrol, diesel, and gas) that power any fleet vehicles, generators, hot water systems and boilers. It also includes refrigerants.
Scope 2	Indirect greenhouse gas (GHG) emissions associated with the purchase of electricity, steam, heat and cooling that is a result of an organisation's energy use. In the Australian property context, Scope 2 emissions are primarily associated with electricity consumption.
Scope 3	"Value chain" greenhouse gas (GHG) emissions resulting from activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts from the goods an organisation purchases to the disposal of the products it sells. In the Australian property context it includes, for example, the manufacturing of building materials, tenant power consumption and the emissions associated with the use of sold houses and apartments. Under current standards, Scope 3 does not include lot sales. For Stockland's Science based targets our most significant emissions (89% of Scope 3) are Cat 1 materials, and Cat 13 leased assets. We have set science based intensity targets for these two categories in Scope 3.
Task Force on Climate Related Financial Disclosure (TCFD)	A framework for voluntary climate-related financial risk and opportunity disclosures. Designed to increase transparency and consistency in the information provided by companies to investors, lenders, insurers, and other stakeholders.
Zero carbon ready building	Zero carbon ready buildings are highly energy-efficient and resilient buildings that either use renewable energy directly, or rely on a source of energy supply that can be fully decarbonised, such as electricity or district energy.



**Stockland
Corporation Limited**
ACN 000 181 733

**Stockland Trust
Management Limited**
ACN 001 900 741; AFSL 241190

**As responsible entity
for Stockland Trust**
ARSN 092 897 348

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Important notice

This Climate Transition Action Plan ("Plan") has been prepared and issued by Stockland Corporation Limited (ACN 000 181 733) and Stockland Trust Management Limited (ACN 001 900 741; AFSL 241190) as Responsible Entity for Stockland Trust (ARSN 092 897 348) ("Stockland").

This Plan has not been prepared as financial or investment advice, or to provide any guidance in relation to the future performance of Stockland. The information provided in this Plan may not be suitable for your specific needs and should not be relied upon by you in substitution of you obtaining independent advice. To the maximum extent permitted by law, Stockland and its respective directors, officers, employees and agents accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any statement, nor error, omission or misrepresentation in this Plan. All information in this Plan is subject to change without notice. This Plan does not constitute an offer or an invitation to acquire Stockland stapled securities or any other financial products in any jurisdictions, and is not a prospectus, product disclosure statements or other offering document under Australian law or any other law. It is for information purposes only and should not be relied upon as a recommendation or forecast by Stockland.

This Plan contains forward-looking statements, including statements regarding future ambitions, scenarios and plans in relation to climate change matters that are based on Management's current assumptions, estimations, judgments, expectations and based on information as the date of publication and/or the date of the scenario analysis processes. Scenario analysis relies on assumptions that may or may not be, or prove to be, correct and may or may not eventuate, and scenarios may be impacted by additional factors to the assumptions disclosed. The inherently uncertain nature of scenario analysis means it is not possible to predict which, if any, of the scenarios set out in our Plan might eventuate. For this reason, scenarios do not form conclusive outcomes for us.

Actual results, performance or achievements could be significantly different from those expressed in, or implied by forward-looking statements. Forward-looking statements are not guarantees or predictions of future performance or outcomes, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this Plan.

Whilst every effort is made to provide accurate and complete information, Stockland does not warrant or represent that the information included in this Plan is free from errors or omissions or is suitable for your intended use. Except as required by law, Stockland does not assume any obligation to update or revise this Plan after the date of publication, including in respect of any forward-looking statements.

Due to the uncertainty in measuring greenhouse gas (GHG) emissions under the calculation methodologies used in the preparation of such data this for this Plan, all GHG emissions data or references to GHG emissions volumes in this Plan are estimates only. There may also be differences in the methodologies used by third parties to calculate and report on GHG emissions. As a result, third party GHG emissions data may not be comparable to Stockland data or nor can Stockland assure its reliability.
