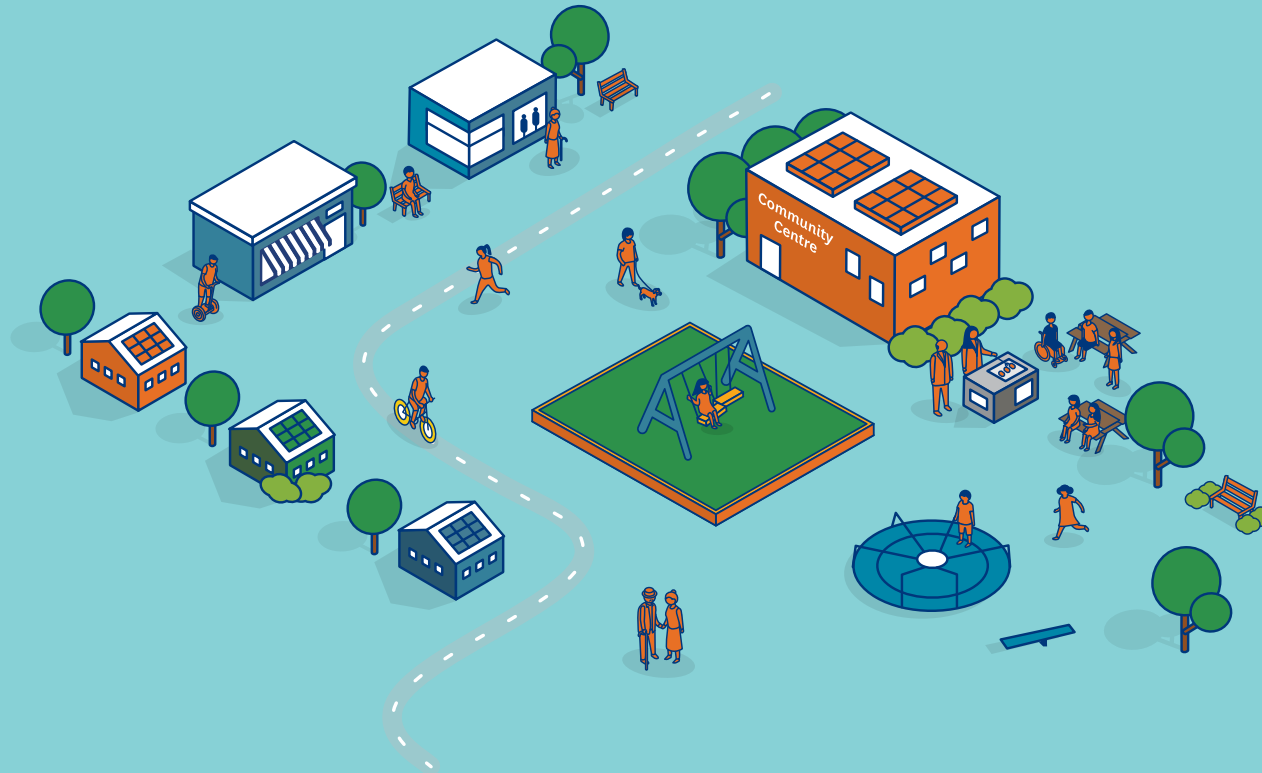




A Better Tomorrow

A blueprint for sustainability leadership



Stockland
it's your place

2018 Update



A Better Tomorrow

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We welcome your thoughts about our approach to sustainability.
Please contact us at sustainability@stockland.com.au

Follow us  [@stockland](https://twitter.com/stockland) Find us  [linkedin.com/company/Stockland](https://www.linkedin.com/company/Stockland)



Our purpose:

"We believe there is a better way to live."

Letter from Mark Steinert

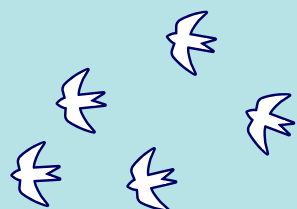
Stockland Managing Director and CEO

It is my pleasure to present our refreshed blueprint for A Better Tomorrow. A Better Tomorrow provides great insights on how we deliver our purpose through creating thriving communities, vibrant town centres, and productive places to work.

Our approach to sustainability is holistic, focusing on delivering shared value across economic, social, and environmental objectives. We take pride in the outcomes of our work - creating places that people embrace and call their own, places that thrive into the future.

Our established leadership in sustainability would not be possible without the coordinated efforts of our many partners - such as our suppliers, community organisations and government authorities. I wish to personally thank them for being a part of our journey and I look forward to what our collaboration can achieve into the future.

FY18 Strategic Priorities



✓ ACHIEVED

Governance and Risk

Complete an organisational human rights risk review

✓ ACHIEVED

Stakeholder Engagement

Maintain stakeholder engagement plans for all active development projects, and deliver stakeholder engagement workshops to our employees

✓ ACHIEVED

Employee Engagement

Maintain employee engagement score above 80 per cent.

IN PROGRESS

Increase women in management to 50 per cent by 2020

IN PROGRESS

Supply Chain

Launch the "Sustainability in our Development Supply Chain" guideline

✓ ACHIEVED

Community Connection

Make a meaningful contribution to our communities through work with community groups, community investment, and through our work with the Stockland CARE Foundation

✓ ACHIEVED

Education and Prosperity

Place over 100 people into employment through the Green Hills Connectivity Centre

IN PROGRESS

Health and Wellbeing

Maintain residential and retirement living communities' Personal Wellbeing score above the Australian national average by FY20



IN PROGRESS

Climate and Energy

Achieve net zero carbon by 2030 in Logistics, Retirement Living and Corporate Head Offices

IN PROGRESS

Achieve 60 per cent reduction in carbon emissions by FY25 in Commercial Property

IN PROGRESS

Design all new residential and retirement living communities as 10 per cent more energy efficient than regulatory standards

IN PROGRESS

Biodiversity

Deliver masterplanned communities with an aggregated net positive contribution to biodiversity value by FY20

IN PROGRESS

Water Management and Quality

Reduce water intensity of retail town centres and retirement living villages by five per cent by FY20

IN PROGRESS

Design new residential communities to exceed minimum water efficiency standards by five per cent

IN PROGRESS

Waste and Materials

Divert at least 85 per cent of Retail Town Centre development waste from landfill by FY20

IN PROGRESS

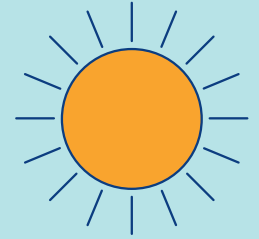
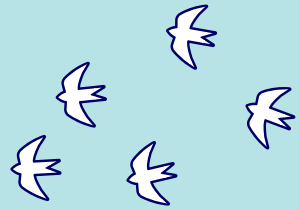
Divert at least 60 per cent of Residential development waste from landfill by FY20

IN PROGRESS

Divert at least 45 per cent of Commercial Property operational waste from landfill by FY20



FY18 Performance Highlights



Enrich Our Value Chain






-  Achieved employee engagement score of 83 per cent, seven points above the Australian National Norm
-  Expanded flexible working with 80 per cent of employees having formalised flexible work arrangements
-  Maintained low turnover rates for employees in their first year and employees with Strong performance or above
-  Reduced corporate lost time injury frequency rate to 1.6, lowest level in seven years
-  Implemented Sights on Safety directed at reducing serious incidents at our worksites
-  Developed a sustainability schedule for inclusion in construction contracts

Shape Thriving Communities

-  Contributed over \$7.7 million to our communities
-  Achieved resident satisfaction of 93 per cent across our communities
-  Achieved resident Personal Wellbeing Index average score of 77 per cent, above the Australian national average
-  Delivered over 780 community development activities across our retail town centres, residential and retirement living communities
-  Placed 180 people into employment through the Green Hills Connectivity Centre



Optimise and Innovate

-  Lifted our rooftop solar generation capacity to 4.36 MW - more than any other Australian property company
-  Decreased carbon intensity by 7 per cent in FY18, taking our total reduction to 53 per cent since FY06
-  Achieved 6 Star Green Star – Communities rating for Waterlea (Vic)
-  Achieved 5 Star Green Star – Design rating for Stockland Green Hills (NSW)
-  Diverted 94 per cent of Residential development waste and 89 per cent of Commercial Property waste from landfill
-  Worked to rehabilitate 204 hectares of biodiversity

Continued our leadership
on the global scale



2018 Global Sector Leader for Listed Diversified Office/
Retail in the Global Real Estate Sustainability Benchmark



2018 Most Sustainable Real Estate Company in the world
according to Dow Jones Sustainability Index



GREEN
GLOBE
AWARDS
2018
WINNER

Winner of 2018 NSW Government 'Best of the Best'
10 Year Sustainability Achievement Award

Over a decade of sustainability leadership

2006

- Appointment of **Board Corporate Responsibility and Sustainability Committee** and first Group-wide **Corporate Responsibility and Sustainability Strategy**
- First commitment to **reduce electricity intensity**
- First **GRI-aligned sustainability report**

2009

- Set **five year targets** (2009-2014) to guide sustainability actions
- **Community Development Toolkit developed** to embed social sustainability across our projects
- **Treehouse on-site childcare centre** opens at Stockland head office
- **First WA 6 Star Green Star Office Design** - 2 Victoria Avenue

2012

- **Rated in top 5 most sustainable real estate companies** by Dow Jones Sustainability Index

2013

- **Rated 'Most sustainable real estate company'** by Dow Jones Sustainability Index
- Published the **Australasian Integrated Report of the Year**
- Commenced our **Chairman's Award for Innovation**

2007

- All staff **KPIs include sustainability** objectives
- First year listed on **World Dow Jones Sustainability Index**
- Established **Climate Change Action Plan**

2008

- Australia's first **6 Star Green Star Interiors** rating
- Contributed **\$1.7 million** to our communities
- Listed on 2008 **Carbon Disclosure Project Australian Climate Leadership Index**

2010

- **Rated in top 5 most sustainable real estate companies** by Dow Jones Sustainability Index

2011

- **Rated 'Most sustainable real estate company'** by Dow Jones Sustainability Index
- Redefined our purpose as **'A better way to live'**
- Commenced **industry-leading liveability research** to understand what matters to our residents
- Established **Climate Adaptation Strategy**

2015

- Rated 'Most sustainable real estate company' by Dow Jones Sustainability Index
- Delivered **Australia's largest rooftop solar installation** at Stockland Shellharbour
- Designed an industry-first Biodiversity Calculator to achieve **net positive impact on biodiversity** across our residential developments
- Launched the **Stockland CARE Foundation** to enhance our community contribution

2017

- Rated in **top 5 most sustainable real estate companies** by Dow Jones Sustainability Index
- Invested **\$23.5 million to significantly expand solar PV capacity** across our Retail portfolio
- Committed to a **60% decrease in emissions intensity** by 2025 (2006 baseline)
- Launched our **Innovate Reconciliation Action Plan**



GREEN
GLOBE
AWARDS
2018
WINNER

WINNER

10 Year Sustainability Achievement Award – 2018 NSW Green Globe Awards “Best of the Best”

2014

- Rated in **top 5 most sustainable real estate companies** by Dow Jones Sustainability Index
- Issued Australia's first **Corporate Green Bond**
- Launched our first **Reconciliation Action Plan**
- Developed our **Renewable Energy Strategy**
- Completed Australia's first **Green Star rated Retirement Living community** and clubhouse

2016

- Rated 'Most sustainable real estate company' by Dow Jones Sustainability Index
- Achieved Australia's first **Green Star Performance** rating for a retail portfolio
- Flexibility@Stockland extends **flexible work arrangements** to a majority of employees
- Aura achieves Australia's first **city-scale Green Star rating**
- Focused on accessibility by certifying our first **Retirement Living designs to Livable Housing Australia Gold Standard**

2018

- Rated 'Most sustainable real estate company' by Dow Jones Sustainability Index
- Committed to **net zero carbon** across Logistics, Retirement Living and Corporate Head Offices
- Extended **Green Star Performance ratings** to our Workplace and Business Parks portfolios
- Named as an **Employer of Choice by the Workplace Gender Equality Agency** for the fourth consecutive year

Setting the global standard for sustainability

At Stockland we believe there's a **better way to live**.

Sustainability is the lens we use across our business to enhance how we deliver value for the people and places that matter most.

We shape thriving communities that our customers love by focusing on community connection, education, and health and wellbeing.

We deliver great places by investing in our employees, partnering with proven suppliers, and championing sound corporate governance.

We optimise our operations to reduce resource use and minimise our environmental impact. We innovate to stay ahead of the curve, creating places that prosper into the future.



Global Sector Leader, Listed Diversified Office/Retail 2018 (Global Real Estate Sustainability Benchmark)



World's most sustainable real estate company 2011, 2013, 2015, 2016, 2018

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

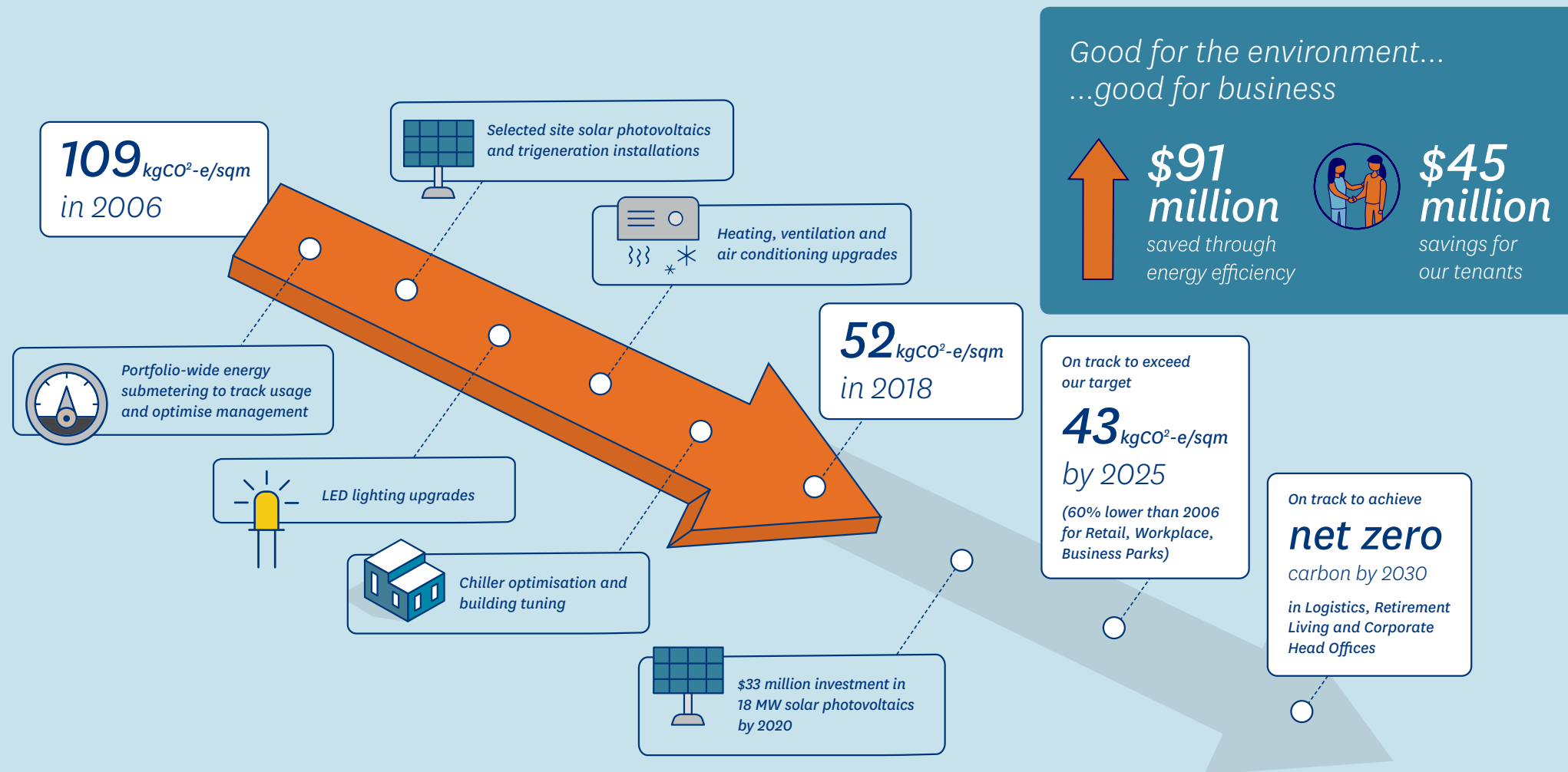


Global leader in climate action CDP Climate A List 2016, 2017



Carbon intensity halved

Since 2006, we've halved our carbon intensity and are committed to further reductions



Reducing our residents' day-to-day living expenses



New residential and retirement living homes to consume over 10% less energy than regulatory standards

Helping tenants save on operational costs



Over 4 stars portfolio average NABERS Energy rating for Workplace/Business Parks

Transforming the industry

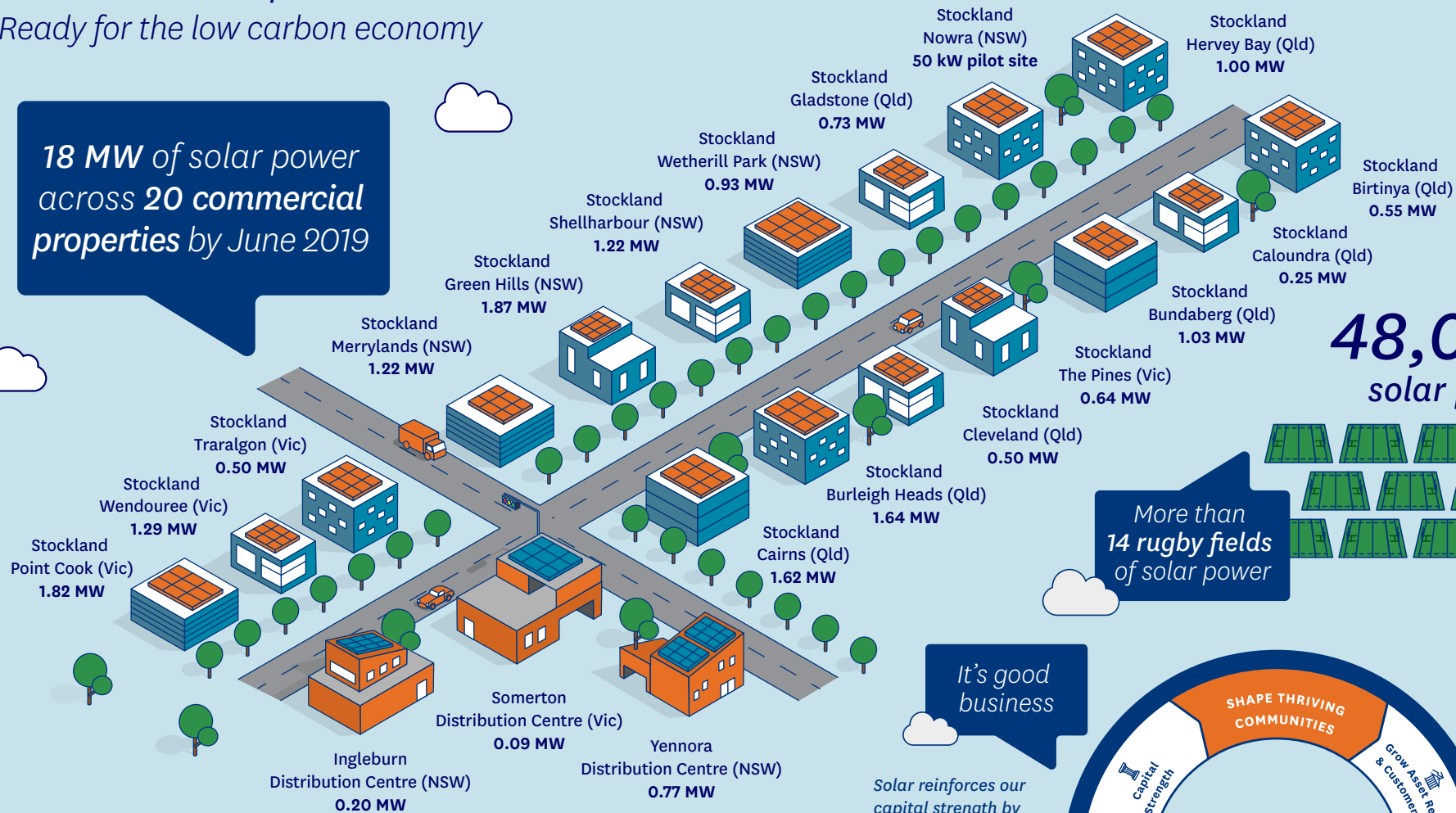
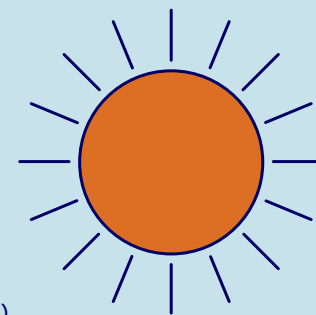


Most rooftop solar installed for any Australian property company

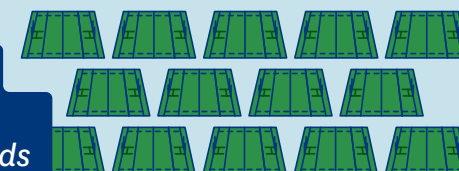
Stockland's \$33 million solar investment

Ready for the low carbon economy

18 MW of solar power across 20 commercial properties by June 2019



48,000+
solar panels



More than
14 rugby fields
of solar power

It's good business

Solar reinforces our capital strength by providing

Over 10%
forecast average yield over 10 years

Over 25.2 GWh of energy/year. Enough to...

Power over 3,500 homes

Take your electric car from Sydney to Perth 35,650 times

Or drive it around the world 3,500 times



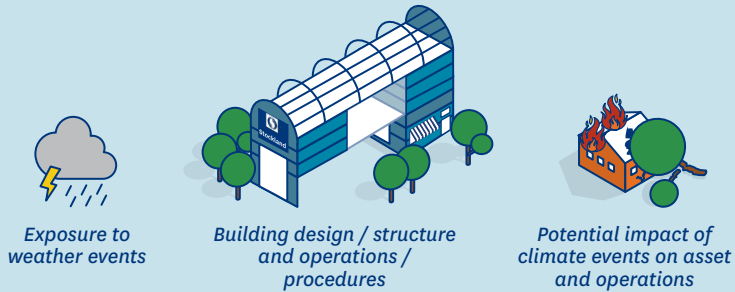
It's good for the world

Reduced emissions equivalent to taking
8,300+ cars
off the road each year
... and helping us meet our ambitious carbon emissions reduction targets

Delivering the benefits of climate resilience

Assessing and enhancing climate resilience can improve business continuity and community wellbeing, while reducing costs associated with maintenance and insurance

CLIMATE RESILIENCE ASSESSMENT



CLIMATE RESILIENCE SCORE

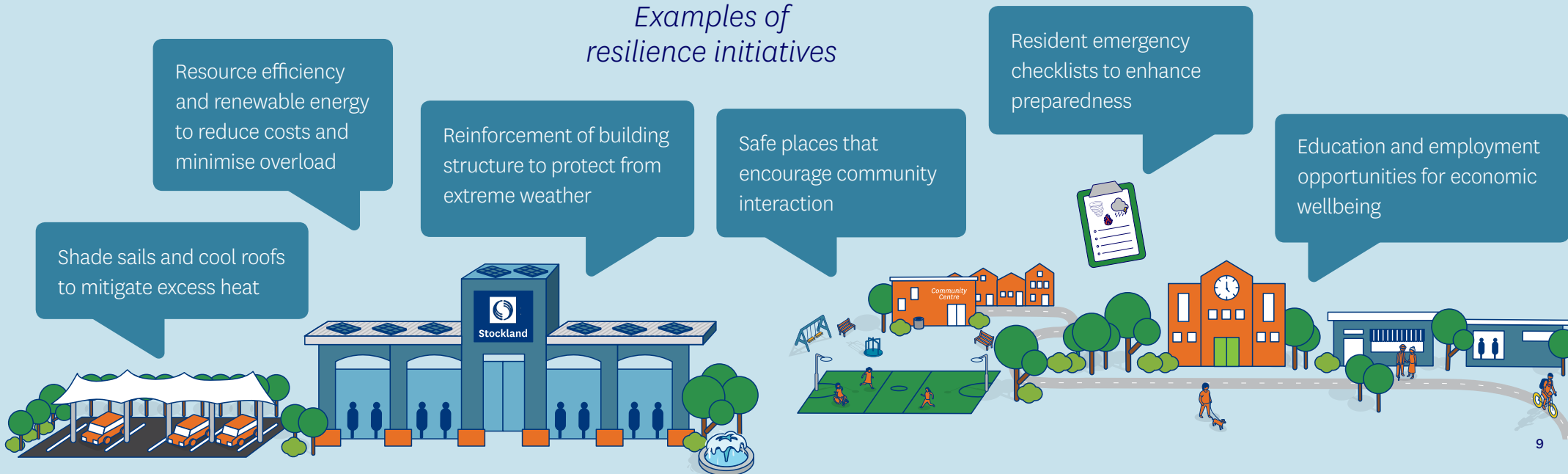
COMMUNITY RESILIENCE ASSESSMENT



COMMUNITY RESILIENCE SCORE

RESILIENCE INITIATIVES (embedded in annual planning)

Examples of resilience initiatives



Stockland's stellar Green Star record

Established leadership in design and delivery of sustainable places

Green Star



Better customer experience

Good light, sustainable materials and community facilities improve customer comfort in our retail town centres.

Sustainable living options

Sustainable display homes that provide information on energy, water, and waste management.

Better value for retailers

High efficiency heating and cooling reduces utility costs for our retail tenants.

Minimising our impact

Reducing waste to landfill and using sustainable materials.

Accessible and inclusive

Community facilities and green spaces where residents can meet and connect with their neighbours.

Healthier lifestyles

Walkable streetscapes with playing fields, cycleways, and recreational activities.

Connected with nature

Linking residents with the protection and preservation of native landscapes.



We own the most Green Star rated retail town centres in Australia (Design & As Built)



Australia's first retail portfolio with a Green Star – Performance rating

We have designed the most Green Star rated residential communities in Australia



5 communities rated 6 Star 'World Leadership'



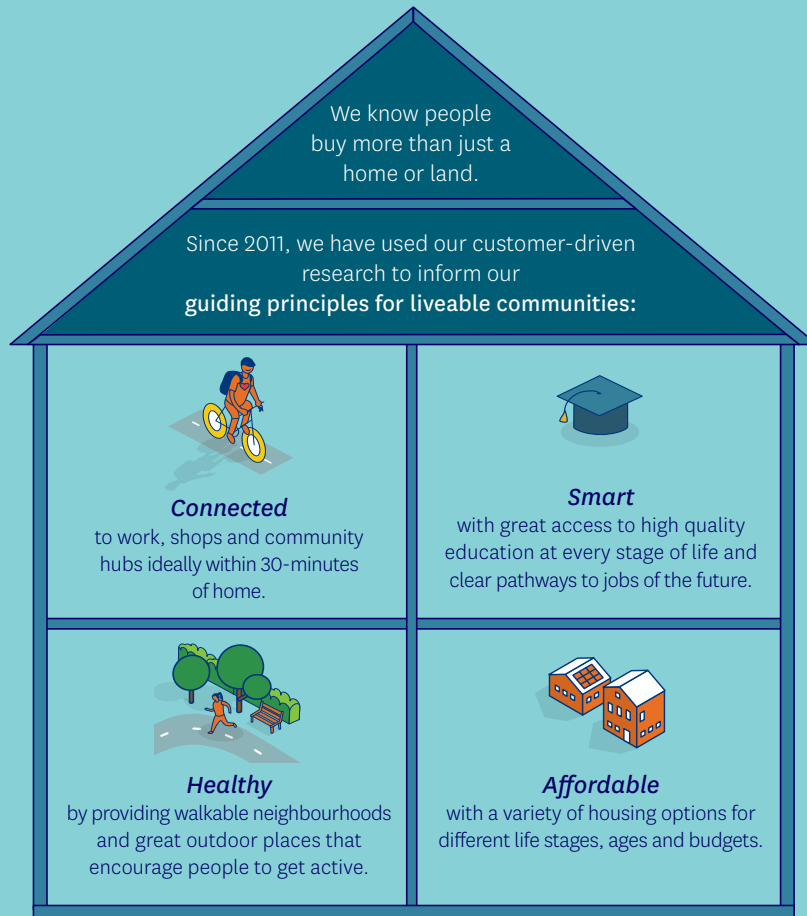
3 communities rated 5 Star 'Australian Excellence'

We own the most Green Star rated retirement living communities (and delivered Australia's first Green Star retirement living community)



Stockland's Liveability Index

Liveable communities built on years of research



We use these collaboratively developed guiding principles to inform:



Project planning

Development managers use the Liveability Index customer insights to better plan, design and bring forward key community infrastructure, to generate higher levels of customer satisfaction.



Community lifecycle evaluation

We measure how customer satisfaction, wellbeing and happiness increase over time as our communities mature.



Placemaking

Research informs the creation of a consistent placemaking approach across our communities.



Collaboration

Our research shows us that if we work with government and other key stakeholders to fast-track schools, parks, childcare, cafes and shops, we can have a profound impact on the liveability of our communities and customer wellbeing.

Liveability Index Research Results 2018 - Life's better in a Stockland community



2,475+

residents responded



49

communities across Australia surveyed*



78%

Stockland Liveability score, comprising satisfaction about community, personal circumstances, resident's homes, and education



77%

average personal wellbeing - above the Australian average (benchmarked against Deakin University's Personal Wellbeing Index)



74%

of residents say their standard of living has improved since moving into a Stockland community

*We targeted and received sufficient responses from 23 communities to look at these results in depth.

Directly investing in what matters to our communities

Providing support to residents and customers across our 200+ retail town centres, residential communities and retirement living communities

Over
\$34.4 million
in community
contribution
since 2013

Action on the ground

Over 4,570 community development initiatives since 2013.

Supporting the grassroots

Over \$1.5 million given to community groups as Stockland CARE Grants.

Partnering for impact

Over 18 partnerships with community organisations to leverage their expertise and maximise outcomes.

Stockland CARE Foundation

Over \$1 million contributed to our Foundation partners Touched by Olivia and Redkite for inclusive play spaces and cancer support for young people, with \$8 million held in trust.

Stockland Commercial Property - 2020

Sustainability targets and initiatives for our commercial properties

High performing buildings

Committed to rating the performance of our Workplace and Business Parks assets using Green Star - Performance.

Best practice sustainable design

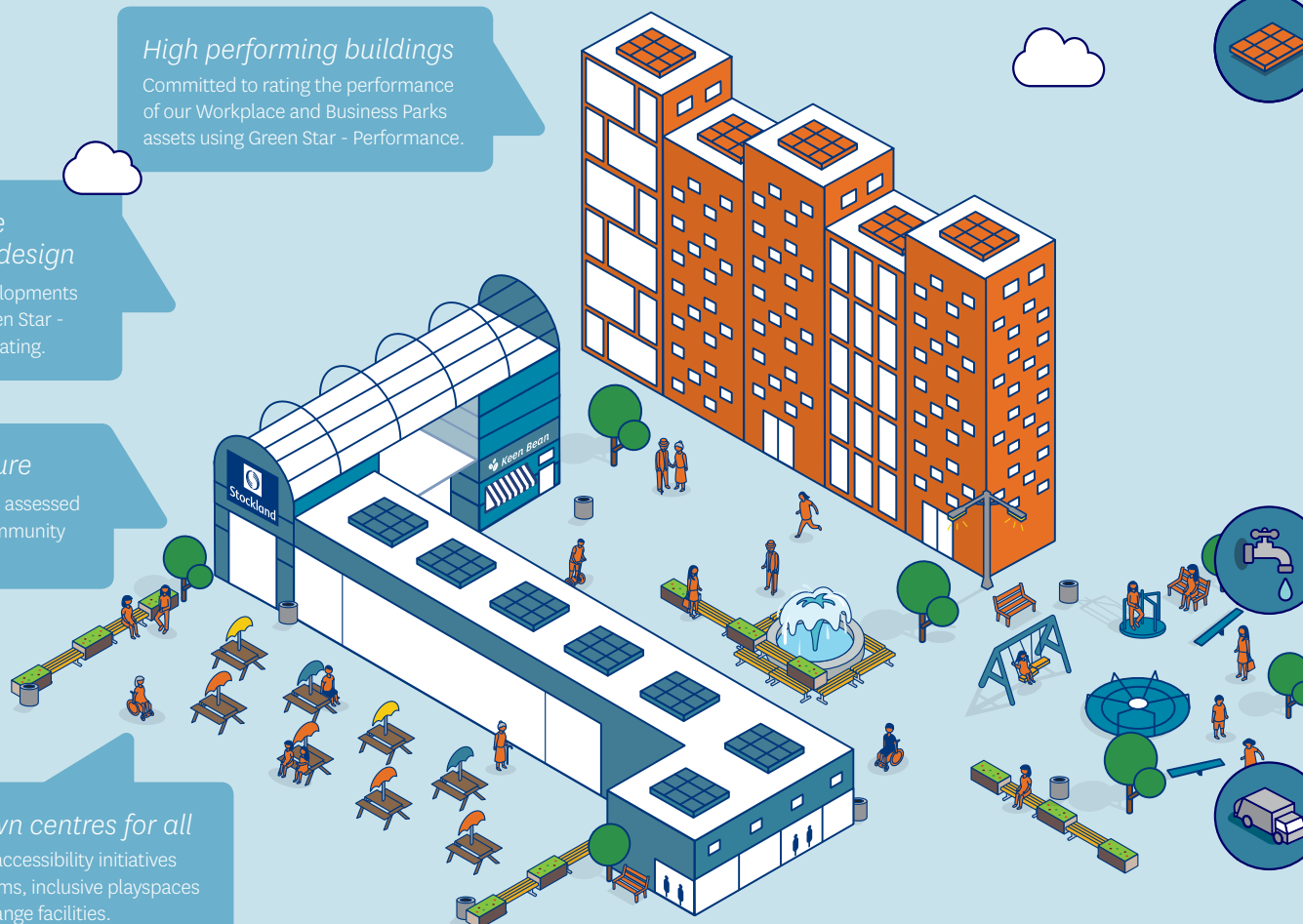
All new retail developments will achieve a Green Star - Design & As Built rating.

Fit for the future

Retail town centres assessed for climate and community resilience.

Retail town centres for all

Focusing on accessibility initiatives like quiet rooms, inclusive playspaces and adult change facilities.



High efficiency, low impact

Net zero carbon by 2030
in Logistics, Retirement Living,
and Corporate Head Offices

60% reduction in greenhouse gas
emissions intensity by 2025 across
Workplace, Business Parks and Retail

- 5% reduction in Workplace and Business Parks (2017-2020)
- 10% reduction in Retail (2017-2020)
- 5 Stars NABERS Energy portfolio average for Workplace and Business Parks by 2020
- 4.5 Stars NABERS Energy portfolio average for Retail by 2020

5% water intensity reduction across
Workplace, Business Parks and Retail
(2017-2020)

- 4 Stars NABERS Water portfolio average for Workplace and Business Parks by 2020
- 3.5 Stars NABERS Water portfolio average for Retail by 2020

45% diversion of operational
waste from landfill across Workplace,
Business Parks and Retail (2017-2020)

We create communities in our retail town centres by providing activities and services beyond shopping:



Health and wellbeing

Accessible and inclusive playgrounds
5-star parents/family room
Community health and wellbeing services
and more...



Education

Career inspiration training for school students
Cultural heritage programs
School/tertiary partnerships
and more...



Community Connection

Community events/festivals
Entertainment/leisure precinct
Youth engagement programs
and more...

At the launch of our Tesla Destination Chargers rollout at Stockland Cammeray (NSW).



Powering up our portfolio with Tesla Destination Chargers



We are delivering a \$200,000 national rollout of Tesla Destination Chargers across up to 31 retail town centres from Cairns to Melbourne.

Tesla owners can now charge their cars for free in our retail town centres, boosting convenience for customers while they shop, dine, or spend time with family and friends.

Louise Mason, Stockland Group Executive and CEO Commercial Property, said: *"In the ever changing retail landscape, technology is increasingly critical to drive innovation, efficiency and engagement with our customers."*

"We know electric vehicles are part of the future and we look forward to offering more features like this to meet continuing Australian demand."

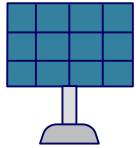
The Hon Craig Laundy MP, joined the Stockland team to launch the initiative, and to charge up the first Tesla vehicle at Stockland Cammeray in Sydney.

Mr Laundy said it was great to see two companies with corporate philosophies that were committed to sustainability—in Tesla and Stockland—working together to expand low emissions technology.

The 43 Tesla Destination Chargers installed in 23 locations (as of June 2018) complements our 24 free ChargePoint facilities in 13 locations throughout Australia, which have been used more than 3,600 times since 2015.

We are proud to be leading the sector in investing in both EV charging capacity and renewable energy, both of which are crucial to the future of our retail town centres and cities.

Leaders in design and development of Green Star retail town centres



We use Green Star - Design & As Built to maximise the sustainability of our retail town centre developments. Our \$222 million redevelopment of Stockland Wetherill Park achieved a 5 Star Green Star - Design & As Built rating, signifying 'Australian Excellence.'

A standout feature at Stockland Wetherill Park (NSW) is the 925kW solar photovoltaic (PV) system that supplies around a quarter of base building energy requirements and is the largest installation in Western Sydney. Supplementing the solar PV system are initiatives to reduce water use and enhance indoor environmental quality.

Stockland Wetherill Park is located within Fairfield City, whose 200,000 residents represent 130 nations and speak over 64 different languages. Our team looked beyond environmental initiatives to understand how integration of community programs and facilities could contribute to the sustainability of the redeveloped retail town centre. Such programs include community focused public art projects, the first Jamie's Ministry of Food cooking school in NSW, and cycling and shower facilities to encourage locals to walk or ride to the centre.

Stockland Group Executive and CEO Commercial Property, Louise Mason said: *"We know that retail town centres like Stockland Wetherill Park act as hubs for the local community, which is why providing an engaging and inspiring customer experience is so important."*

While Green Star - Design & As Built allows us to maximise the sustainability of our new developments, we have used Green Star - Performance to benchmark and enhance the performance of our existing retail town centres. We were the first company to obtain a Green Star - Performance rating for a retail portfolio, and are committed to continuing to use Green Star to maintain our sustainability leadership standing.

Stockland Wetherill Park (NSW) achieved a 5 Star Green Star - Design & As Built rating on the completion of its redevelopment in 2017.

Green Star across our portfolio

- **13** retail town centres and office buildings with a Green Star - Design & As Built rating
- **22** retail town centres with a Green Star - Performance rating
- **8** Green Star rated residential communities



Local mural artist Ellie Hannon with Stockland Green Hills (NSW) Centre Manager Chris Travers, at the unveiling of new artwork at Stockland Green Hills.



Our new Green Hills

- Around **225** stores
- New **900** seat cinema
- New **1.9 MW** solar installation

Leveraging our projects for local employment



We expect our suppliers to actively engage with the communities where we operate. Suppliers are encouraged to source labour, goods, and services from local communities, thus maximising the opportunities for our projects to benefit both Stockland and locals.

We partnered with the primary contractor of our \$421 million retail town centre redevelopment of Stockland Green Hills (NSW) to focus on local employment opportunities provided by the project. The project created 1,495 construction jobs within the local community (defined as contractors residing within 50 kilometres from the site). Furthermore, the project procured over one-third of its construction services from within the local area (measured by value).

Another feature of our Green Hills redevelopment was the Green Hills Connectivity Centre, which we set up in collaboration with the primary contractor on the project. The aim of the Connectivity Centre was to connect job seekers with employment opportunities, and to upskill

individuals in preparation for the workplace. The Green Hills Connectivity Centre builds on the success of our Shellharbour Connectivity Centre, where 343 local people found employment in three years. Over the course of our Green Hills redevelopment, which spanned two years, the Connectivity Centre placed more than 180 people in employment, exceeding its original target of 100. Mark Steinert, Stockland Managing Director and CEO, said: *"Our \$421 million redevelopment of Stockland Green Hills was a commitment to the Maitland region and we are pleased to see our investment creating new jobs for the local region, not only in construction and retail but also creating an important multiplier effect on the regional economy."*

Focusing on accessibility across our portfolio



Going to a retail town centre with young children in tow can be tough at the best of times. For people with autism spectrum disorder, the centre's sounds, sights and activities may heighten any challenges.

To enhance the shopping experience for these customers, Stockland designed and delivered two quiet rooms at Stockland Shellharbour (NSW). The two rooms are themed as 'Cuddly Clouds' and 'Among the Trees'. The rooms feature sensitive play screens, tactile wall panels, sensory wall coverings, bean bags and dimmable lights.

The quiet rooms provide a calm, low sensory environment for people with autism spectrum disorder and their carers and parents. With eight million customers visiting Stockland Shellharbour every year, these rooms are a small but significant initiative to make our retail town centre more inclusive for all our customers to enjoy.

In addition to quiet rooms, we have delivered adult change facilities at some of our retail town centres. The adult change facilities are built along the guidance of Changing Places,

which is a project that advocates for public toilets with full size change tables and hoists in major public spaces across Australia. These facilities help to meet the needs of around 200,000 Australians with a disability who require assistance to use the toilet. Following the successful installation of accessibility features such as quiet rooms and adult change facilities at Stockland Shellharbour (NSW), Stockland Nowra (NSW), Stockland Green Hills (NSW), Stockland Wendouree (Vic) and Stockland Hervey Bay (Qld), we have developed accessibility guidelines that embed these considerations into the design and development of our retail town centres more widely. These accessibility initiatives in our Commercial Property portfolio complement our commitment to the use of Livable Housing Australia accessibility guidelines in our Residential and Retirement Living communities.

A quiet room at Stockland Shellharbour (NSW), where children and parents can enjoy a respite from the activity of the main retail town centre.

Why accessibility?

- Over **4 million** Australians have a disability
- **36%** of households include a person with disability
- **1 in 3** persons with disability report that their customer needs are often unmet

Stockland Townsville (Qld) is one of several retail town centres where targeted investment has enhanced the climate resilience of the centre and the community.

Future proofing our retail town centres



In 2012, we developed a climate resilience assessment methodology to help us understand the vulnerability of our properties to climate change and the actions we can take to improve their resilience.

By implementing initiatives that improve resilience to extreme weather events, we deliver better emergency preparedness and greater comfort and amenity for building occupants. Examples of initiatives include:

- Fastening roofing systems and roof mounted equipment down,
- Replacing corroded box guttering and installing additional downpipes and overflows to avoid stormwater leakage into retail tenancies,
- Upgrading air conditioning and electrical equipment,
- Replacing ageing roofing materials and specifying new roofing systems in developments to utilise 'cool roof' technologies to reduce urban heat island effect and heat loads on plant and equipment,
- Improving the design of stormwater drainage infrastructure, and
- Implementing new business continuity plans and emergency procedures for assets in regions vulnerable to cyclones.

We have used our assessment framework to show a demonstrated improvement in the resilience of our retail portfolio. This improvement in resilience benefits our customers through enhanced safety and access to services, and it benefits our business by enhancing centre operations and reducing our insurance premiums.

Benefits of resilient retail town centres

- Lower maintenance costs
- Reduced insurance premiums
- Enhanced business continuity

Stockland Residential - 2020

Sustainability targets and initiatives for our residential communities

Inclusive and accessible design

Livable Housing Australia accessibility design standards incorporated into our residential communities.

10% better energy efficiency
compared with existing codes.

5% better water efficiency
compared with existing codes.

Connected to nature

New residential communities to collectively have net positive impact on biodiversity value.

Happy residents

Over 80% Liveability Index score measured through our annual Liveability survey.

Healthy residents

Above average Personal Wellbeing scores, benchmarked against the Deakin University Personal Wellbeing Index.

Over 60% diversion of construction waste from landfill.

Fit for the future

Projects assessed for climate and community resilience, which informs community development strategies focusing on preparedness and adaptation.

We create residential communities beyond buying and building your home:



Health and wellbeing

Adult and children's fitness programs
Cooking classes
Live Life Get Active programs
and more...



Education

Resident energy, water, waste saving and wellbeing education
Schools based engagement
Community garden education programs
and more...



Community Connection

Farmers markets and outdoor theatre
Holiday festivals and seasonal events
Inclusive and accessible playspaces
and more...

The Aura Sales and Vision Centre has interactive digital displays for guests to explore life within our Aura (Qld) residential community.



Aura's economic contribution

➤ **19,500** direct jobs

➤ Stockland is investing
\$300million
in the first five years

➤ **Incubator hubs**
for small businesses

Aura - our \$5 billion green city



Aura is the largest mixed use development ever undertaken under single ownership in Australia and the largest project ever undertaken by Stockland. The new city will be developed by Stockland over the next three decades and will grow to a similar size and scale to that of Maroochydore, Hervey Bay or Gladstone, and ultimately be home to around 50,000 people.

The GBCA's Chief Executive Officer, Romilly Madew, said: "Stockland's 6 Star Green Star accreditation for Aura demonstrates that it is possible to undertake a development of unprecedented scale and achieve world class environmental and social outcomes."

Based on leading practice planning and consultation, Aura (Qld) will become a model for social inclusion and environmentally sensitive urban design and development.

- More than 700 hectares, nearly one-third of the site, will be rehabilitated from decades of use as a former pine plantation and designated as a conservation area.
- New habitats for rare and endangered flora and fauna species will be created with fauna underpasses at every major creek crossing, and fauna overpasses along all major roads.

- Installation of the most advanced water reticulation, filtration, storage and treatment system ever installed in any Australian city, which will recycle water, minimise runoff and ensure the protection of the nearby Pumicestone Passage.
- Annual environmental reporting will assess the development of the project against stringent water quality and biodiversity measures.
- We will establish an environmental education facility and run sustainability awareness programs to promote life-long learning amongst residents and local school children.

Aura won the Project Innovation award at the 2017 Property Council of Australia/Rider Levett Bucknall Innovation & Excellence Awards for its world-leading sustainability initiatives and unique approach to community consultation.

World leadership recognition for Waterlea



We were awarded a “World Leadership” 6 Star Green Star – Communities rating by the Green Building Council of Australia (GBCA) for our Waterlea medium density residential development.

This highly coveted certification helps to confirm the position of Waterlea as one of the most sustainable residential communities in Australia. Waterlea is our first medium density project to be rated under the Green Star – Communities tool and one of the first medium density projects in Australia to be rated.

The Green Star rating framework aligns with our own strategic priorities to improve the community and environmental outcomes of our projects. Waterlea scored full credits for ‘governance’ and rated highly across the five rating areas of ‘liveability’, ‘economic prosperity’, ‘environment’ and ‘innovation’.

The design elements of each home work to reduce environmental impact, including innovative features such as solar panels, rainwater tanks plumbed for toilet and laundry usage, and garages fitted with an electric vehicle charging point. For home owners, this means reduced power and water bills and a lower impact carbon footprint.

We have designed 20 per cent of homes to Livable Housing Australia Silver Design standard to provide for the needs of growing

families and people with disabilities, injuries and life changing circumstances. Design features improve access to the home, navigational space within the home and provide a more comfortable living environment without compromising the quality of life for residents.

Anthony Scafidi, Senior Development Manager said, “We have worked closely with sustainability groups, the Green Building Council of Australia and Livable Housing Australia to design the new community to be a model development for affordability and sustainability. The team has worked incredibly hard over the past 18 months to deliver this outcome and we are proud to be at the forefront of sustainable design. We can expect to see continued customer value placed on Green Star homes with residents benefitting from design features that reduce the impact on the environment.”

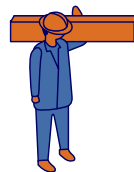
Our Green Star ratings provide external verification of our projects’ sustainability credentials. We continue to use Green Star across all areas of our business to benchmark and enhance our performance.

Our new community at Waterlea (Vic) is one of five Stockland residential communities with a 6 Star Green Star – Communities rating.



Our new residential community at Newport (Qld) has achieved 'Australian Excellence' with its 5 Star Green Star - Communities rating.

Strong environmental management saves millions



Our forthcoming residential community at Newport (Qld) on the Redcliffe Peninsula will feature a range of waterside and waterfront homes, a retail and dining precinct, a retirement living community, foreshore parks, and a proposed 23-hectare lake with access to Moreton Bay.

Life at Newport

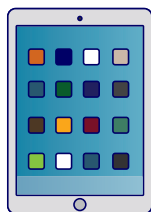
- Around **5,000** residents
- Easy commute to Brisbane CBD
- **125** retirement living homes

The earthworks required to develop a site like Newport can be emissions intensive and often require sending large amounts of dirt off site to landfill. At Newport, we worked with our principal contractor to develop a refined spoil management strategy that enabled the project to reuse 1.5 million cubic metres of spoil on site. That's over 600 Olympic swimming pools worth of material that may have otherwise ended up in landfill. The project also saved over \$3.5 million by not having to pay to export material off site and import new material.

Earthworks at Newport also prioritised the use of scoops over dump trucks to transport dirt, given the relative fuel efficiency of scoops. Prioritising scoops saved the project over 114,000 litres of fuel. This equates to a saving of over \$135,000 and over 305,000kg CO₂-e of greenhouse gas emissions avoided.

These sustainable earthworks initiatives at Newport protect our natural environment, save money, and improve the competitiveness of our business and our suppliers. Our leading partnerships in sustainable construction was a key factor in receiving approval to proceed with Newport, further underscoring the value of sustainable practices that deliver value for us, our suppliers, and the communities in which we operate.

Innovation that enhances customer experience



When considering whether to live in a residential community that's under construction, it's hard to imagine what it will feel like to walk down the street, enjoy the park with your family, or meet friends in the town centre. To address this, Stockland partnered with Telstra to explore how technology could help bring communities to life.

After investigating options with Telstra, we launched the \$4.6 million Cloverton (Vic) Vision Centre, which opened in December 2016. Cloverton is one of our largest ever master planned residential communities in Victoria, and will be home to more than 30,000 people when completed.

The Vision Centre creates an innovative, engaging experience enhanced by technology that enables prospective residents to explore what Cloverton will be like as it comes to life over the next 30 years.

Visitors use the touch-screen map table to explore the different aspects of the residential community, such as proximity to transport and shops, as well as parks and open spaces.

Adjacent to the Visitor Centre is an adventure playground designed using the principles of inclusive play in collaboration with our charity partner Touched by Olivia.

Our Innovation Team continues to engage customers to understand how initiatives like the Vision Centre can enhance the experience of purchasing a home and living in a Stockland residential community.

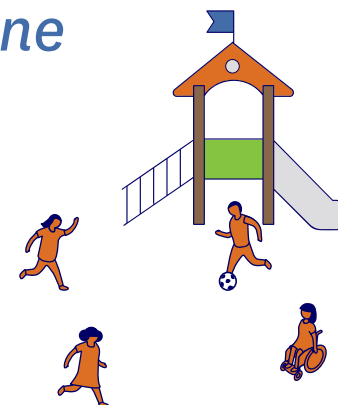
Exploring the Cloverton (Vic) master plan at the Cloverton Vision Centre.

Life at Cloverton

- Homes for around **30,000** people
- **5** major sport precincts
- **80** hectares of conservation open space

Our inclusive Shipwreck Park is a highlight of our Sienna Wood (WA) residential community.

A place where everyone can play



Stockland works with the Touched by Olivia Foundation to deliver inclusive playspaces at our residential communities and retail town centres across Australia. Inclusive playspaces allow all children to play together, including those with physical disabilities, vision, hearing and mobility impairments, or spectrum disorders such as autism.

Some of our inclusive playspaces are in our residential communities, where they contribute to liveable places centered on community connection. Others are in our retail town centres, as part of our commitment for our centres to be hubs for the local community.

Each of our inclusive playspaces has its own character. Our playspace at Stockland Rockhampton (Qld) was designed with imagination, creativity and active play in mind and incorporates a number of unique design features inspired by a Rockhampton cattle property. Our playspace at our Sienna Wood residential community features a 30-metre shipwreck surrounded by rocks, sand and shipping cargo as well as a 'walk-the-plank' themed 'drop-zone'. Finally, the inclusive adventure playground at our Cloverton residential community

features a 40-metre flying fox, water play, and other play elements for all ages and abilities.

In late 2017, The Hon Anthony Roberts, NSW Government Minister for Planning and Housing, confirmed the NSW Government's commitment to creating playspaces where all children can play. We are excited to respond to this commitment by continuing to lead the delivery of inclusive playspaces in our residential communities and retail town centres across Australia.

Our inclusive playspaces

➤ **14** inclusive playspaces accredited by Touched by Olivia

➤ Playspaces are in retail town centres and residential communities across four states

Looking after nature on our doorstep



Strengthening resident awareness of biodiversity values helps us to achieve positive biodiversity outcomes in our residential communities. At our \$5 billion Aura residential community on Queensland's Sunshine Coast, we collaborated with local students and staff from Unity College for a World Wetlands Day program. Aura features Australia's largest wetland rehabilitation project, with much of the site dedicated to frog habitat.

The World Wetlands Day program included the completion of a frog-themed artwork located on an underpass installed to ensure that native frogs can move safely across the landscape to feed and breed. Experts from Griffith University also attended and spoke to participants about the importance of connected wetland systems and how locals could contribute to conservation efforts by maintaining native sedges to not allow runoff from roadways.

Golden Sun Moth restoration work at our Highlands residential community provides another example of where community development is linked with the local biodiversity.

The design of Highlands promotes awareness of Golden Sun Moth conservation through features such as walking trails that celebrate the moth and the Golden Sun Moth Adventure Playground. We also support community education activities to enhance the understanding of the role of prescribed burning in biodiversity conservation.

Delivering positive impact

- We are committed to **net positive impact** on biodiversity through 2020
- We rehabilitated over **1500** hectares of land in 2016-17
- We work with community and non-government organisations to expand our reach

School groups enjoy environmental conservation activities during National Tree Day at Aura (Qld).



Stockland Retirement Living - 2020

Sustainability targets and initiatives for our retirement living communities

Net zero carbon

Retirement Living operations to have net zero carbon emissions by 2030.

Inclusive and accessible design

Incorporating Livable Housing Australia accessibility design standards into our retirement living communities.

State-of-the-art clubhouses

Clubhouses that work as community hubs and include the latest in energy and water efficiency.

Happy residents

Over 8.25/10 resident satisfaction measured through our Residents Voice surveys.

Benefits+ Program

Benefits+ provides savings and discounts to residents to make life easier, save money, and enhance resident wellbeing.

Healthy residents

Above average Personal Wellbeing score, benchmarked against the Deakin University Personal Wellbeing index.

Fit for the future

Retirement living communities assessed for climate and community resilience, informing resident preparedness and adaptation.

10% better energy efficiency than existing codes.

We create retirement living communities by delivering activities and services our residents love:



Health and wellbeing

Resident healthy cooking programs
Bowls Australia events
Health checks and health issue awareness
and more...



Education

Community hub (library, community centre)
Community learning facilities
Resident computer clubs
and more...



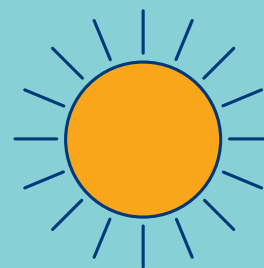
Community Connection

Investing back into the community through community grants
Social engagement activities
and more...

Over **8.4/10** average resident satisfaction measured through our Residents Voice survey every year since 2008.

Stockland Retirement Living creates over \$300 million in social value annually

For our residents, government, and local communities



Our residents' experience of social value...

In the first year our residents feel

- Increased sense of safety & security
- Reduced worry and stress

What our residents say...

"I feel more secure knowing that there is security for the whole village and that there are neighbours looking out for everyone"

Within three years our residents enjoy

- Increased social connectedness
- People looking out for each other

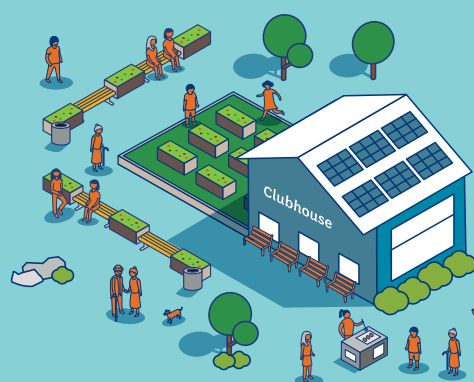
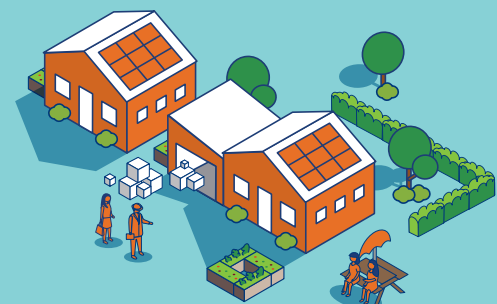
"I've never been happier. I've made friends at lots of social club events."

In the longer term our residents experience

- Greater independence
- Avoided illness

"We have independence to live our own life."

"Takes a lot of worry off the family; knowing you have the support."



Retirement Living social value

Stockland Retirement Living creates over **\$162 million** in social value annually for **government**

- Our residents are over 80% less likely to call an ambulance or visit the emergency department
- saving government over \$62.9 million in hospital costs
- Our residents stay out of aged care for five years longer than average
- saving government over \$88.7 million in aged care costs
- Our residents require 96% fewer mental health consultations
- saving government over \$10.5 million in mental health costs

Stockland Retirement Living creates over **\$95 million** in social value annually for **local communities**

- over \$75 million increased spend in local areas
- over \$19 million in value of volunteering

Local residents and families participating in a cooking and nutrition program led by Jamie's Ministry of Food at Selandra Rise (Vic).

Healthy eating with Jamie's Ministry of Food



Stockland partners with Jamie's Ministry of Food Mobile Kitchen to deliver healthy cooking and good nutrition programs in our residential communities, retirement living communities and retail town centres.

The program includes Jamie's hints, tips and shortcuts for preparing food from scratch using fresh ingredients, all focused on preparing and serving nutritious, fresh food on a budget.

The Jamie's Ministry of Food programs have been delivered at retail town centres such as Stockland Cairns (Qld), Stockland Cleveland (Qld), Stockland Newport (Qld), Stockland Wetherill Park (NSW), and Stockland Baldivis (WA). The Mobile Kitchen has also travelled to Aboriginal communities at Cherbourg and Mossman Gorge.

Our retirement living communities have enjoyed the healthy cooking and nutrition classes as well. Here, residents participated in cooking demonstrations and the Learn Your Fruit and Veg program with their grandchildren during school holidays. The classes provided a fun and educational environment for different generations to learn, cook, and taste together.

Davina Rooney, Stockland General Manager Sustainability, said: *"Our partnership is intended to give Queensland participants greater insights into healthier eating habits, with a particular focus on growing healthy, happy young people."*

Over 5,700 people have directly benefited from attending the cooking classes, with the ripple effect of better food choices and good nutrition felt by families and friends.

Amy Smith, CEO Jamie's Ministry of Food Australia and The Good Foundation said: *"Our partnership with Stockland continues to instil a sense of community connectedness as we deliver the community-focused program which inspires participants to get back to basics in the kitchen."*

Our healthy eating partnership

➤ Over **5,700** participants

➤ **191** volunteers donating
225 hours per week

➤ **45%** of participants at Wetherill Park (NSW) classes were concession card holders (Wetherill Park kitchen active 2014 - 2018)

Encouraging retiree health and wellbeing through sport



In March 2016, we announced a new partnership with Bowls Australia to help boost the health and wellbeing of more than 11,000 residents living in our retirement communities across the country. Under the three year partnership, Stockland is working with Bowls Australia to encourage residents to participate in social and competitive lawn bowls, coaching clinics, and free health and wellbeing seminars.

Kirrilly Lord, General Manager Retirement Living at Stockland, said: *"This is all about encouraging happier, healthier, more active residents at all of our retirement living communities. Research shows that regular physical activity for retirees is the key to maintaining good health and vitality, and one of the most effective ways to improve emotional wellbeing. We want to encourage our residents to get involved, keep fit, stay connected and be a part of something they can enjoy in a group. Bowls offers all of that."*

Bowls Australia CEO, Neil Dalrymple, said: *"Bowls is a fantastic form of physical activity for older Australians. It encourages the full breadth of muscle movement, the enjoyment*

of being in the outdoors as well as socialisation in a group environment. Playing social or competitive bowls has been found to have a number of physical and mental health benefits that increases the happiness of senior Australians."

Since commencement of the partnership, over one-thousand participants have attended bowls events, coaching clinics, and related Stockland events such as official green openings, health expos, and Try Bowls events. Nine out of ten participants surveyed during the events felt more connected to their friends and community.

Residents of our retirement living community at Mernda (Vic) enjoy a coached bowls session in partnership with Bowls Australia.



What our residents say

- **97%** would recommend Stockland and Bowls Australia events to their friends and neighbours
- **61%** of participants learned new skills and techniques
- **90%** of participants felt more connected to their friends and community

Making Mondays the best days

Stockland's commitment to the health, safety and wellbeing of our employees and suppliers helps us deliver great places

Employer of choice

We are committed to flexible work arrangements, inclusive leadership development, and prioritising diversity and inclusion.

Focusing on human rights

We work with suppliers that have a shared vision on human rights and promote safe, fair, diverse and inclusive workplaces.

Reducing our environmental impact

We collaborate with our partners to deliver shared value by reducing waste, saving money, and lowering our emissions, all while achieving high quality outcomes.

Supporting local communities

Together with our partners, we focus on local employment and procuring local services.

Prioritising health and safety

Together with our partners, we promote high health, safety, and quality standards.

Global leadership in gender equality



Targeting **50%**
women in management
by 2020

We maintain high levels of employee engagement

83% employee engagement, consistently above the Australian National Norm

94% of employees believe Stockland is accepting with regard to cultural background or lifestyles

We've launched our second Reconciliation Action Plan and we've spent:



Over **\$3.2m**
in procurement from indigenous suppliers (since 2014)

Flexibility empowers our employees



At Stockland, we work on the premise that people are motivated and productive when they feel trusted, and our approach to flexible working helps build this trust.

Each employee is encouraged to come up with 'One Simple Thing', which is an arrangement that helps employees manage their work-life quality. Nearly 80 per cent of our employees have recorded their One Simple Thing, personalising their flexible work arrangements so they can be their best at work.

"All roles at Stockland can be flexible, and this initiative is aimed at ensuring there is no stigma associated with flexible work arrangements. As a company we are focused on outcomes, not hours at the desk" said Mark Steinert, Stockland Managing Director and CEO.

In May 2017 we redesigned our parental leave policies to provide greater flexibility and resources for families to care for their new child, and to support them when they do return to work.

Gennaro Folino, Retail Design Manager in our Melbourne office, took primary carer's leave

to look after his son, Julian, after his wife decided to return to work. *"When I brought it up at Stockland, my colleagues were incredibly supportive. There are lots of good stories on our intranet about men taking parental leave, so it's not just talk about flexibility – people are actually doing it"* said Gennaro.

Davina Rooney, General Manager Sustainability, made use of flexibility at Stockland to advance her career while welcoming two children of her own. *"I've been working part-time for the last five years and I don't work in the office on Fridays. This means that while I have a busy work role, I can still be involved with my children"* said Davina.

Our approach to flexible working has been a key component of our recognition as an Employer of Choice for Gender Equality by the Workplace Gender Equality Association (WGEA) for four consecutive years.

Stockland General Manager Sustainability, Davina Rooney, with children at Treehouse, our onsite childcare centre at Stockland head office, Sydney.

Examples of employees' One Simple Thing include:

- ▶ Taking time off to get to the gym at least twice per week during lunchtime
- ▶ Leaving early to attend to family activities
- ▶ Amending working hours to accommodate further education commitments



Our cohort of graduates at a professional development breakfast with the Stockland Executive Committee.

Australia's top graduate and intern programs



Stockland was recognised as a top employer for new graduates by the Australian Financial Review, as well as the Australian Association for Graduate Employer (AAGE), for the second consecutive year.

This recognition celebrates our support for the next generation of property industry professionals. Our graduate program is a comprehensive development program for high-potential university graduates from diverse disciplines. The two-year program involves rotations through several roles and business units across our organisation.

Our program looks for people with different skills, strengths, and backgrounds; people who like to work as part of a team, who are passionate, driven to succeed and share our vision of creating a better way to live through healthy, liveable, connected and sustainable communities.

As a way of creating a strong pipeline of future graduates, we also provide scholarship and internship opportunities to current undergraduate students. Our intern program strengthens our graduate pipeline and promotes our employment brand.

Our internship program also won recognition as one of the Top 40 Intern Program providers by the AAGE, the peak industry body for graduate recruitment.

The Top 40 Intern Program recognises the organisations that provide the most positive interning experience based on feedback from over 900 interns against broad categories such as training, content of work, quality of supervision, social life, and organisational culture.

We continue to expand and enhance our graduate program. Some of our priorities include providing graduates with multiple connection points with our leadership teams, support for managers and sponsors of graduates, and providing opportunities for participation in volunteering and wellbeing initiatives.

2018 Update



A Better Tomorrow

What's new in this version of A Better Tomorrow

- Pages 2-3:** FY18 Strategic Priorities and Performance Highlights
- Pages 4-5:** Updated timeline to include 2018 achievements
- Page 6:** Updated GRESB and DJSI with 2018 result
- Page 7:** Updated figures with FY18 results and added net zero carbon target
- Page 8:** Updated solar infographic to include all completed and committed investment
- Page 11:** Included 2018 Liveability Index survey results
- Page 12:** Updated with FY18 figures on community contribution
- Page 13:** Included net zero carbon target announced in September 2018
- Page 14:** Updated case study with FY18 figures on electric vehicle charging installations
- Page 17:** Updated case study with new locations containing quiet rooms and adult change facilities
- Page 19:** Included new liveability target
- Page 21:** New case study “World leadership recognition for Waterlea”
- Page 24:** Updated number of inclusive playspaces delivered through FY18
- Page 26:** Included new net zero carbon target
- Page 27:** New page dedicated to social value generated in Retirement Living
- Page 28:** Updated number of participants with FY18 figures
- Page 30:** Updated gender, employee engagement, and indigenous spend metrics with FY18 figures
- Page 32:** New case study “Australia’s top graduate and intern programs”

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Note:

All figures are in Australian dollars unless otherwise indicated. All information is based on public reporting as of 30 June 2018. www.stockland.com.au/corporate-reporting

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it's your place

