Our Reporting Approach

FY18

Sustainability reporting at Stockland

Stockland's 2018 sustainability reporting is an account of our sustainability performance for the financial year from 1 July 2017 to 30 June 2018 (FY18). It is independently assured by Ernst & Young (EY).

This is the 13th year that we have publicly reported our sustainability performance. It includes detailed discussion of our material sustainability matters, as well as in-depth data sets and select case studies.

Sustainability reporting forms part of our suite of corporate reporting for FY18:

- Annual Review - our integrated report focusing on strategy, corporate governance and our financial, social and environmental performance
- Securityholder Review - a concise version of the Annual Review which is mailed to all securityholders
- Annual Report - a detailed account of our financial performance and governance, in compliance with statutory reporting requirements and the recommendations of the Task Force on Climate-related Financial Disclosures
- Property Portfolio - details on the assets within our portfolio.

Our sustainability reporting for FY18 was published in September 2018 and is publicly available at stockland.com.au/sustainability. It follows our FY17 sustainability reporting which was published online in September 2017.

We focus on embedding sustainability considerations in our business operations. This is consistent with our use of the AA1000 Principles of inclusivity, materiality and responsiveness, which has helped us identify, understand and respond to issues that potentially impact the long-term wellbeing of our communities, our people and our customers.

Key changes to our reporting in FY18

This year, we have streamlined our Deep Dive documents to focus on our annual performance, achievements, and priorities. Descriptions of management approaches related to each Deep Dive topic area now sit within standalone management approach documents also available on our website. Management approach documents are reviewed annually and updated as required.

Our reporting approach

As a real estate owner, manager and developer, we recognise that we have a unique opportunity to create shared social, environmental and economic value for our communities, customers and investors now and in the future.

We have three strategic business priorities to support our growth and deliver returns for our investors: growing asset returns and our customer base, maintaining our capital strength, and delivering operational excellence.

Our sustainability strategy integrates with our business strategy and priorities, providing a better way to deliver shared value through three core sustainability priorities: shape thriving communities, optimise and innovate, and enrich our value chain.

Our sustainability reporting focuses on the matters of greatest relevance to our business during the reporting period.

In this document you will find:

In our reporting we highlight two sets of sustainability matters:

- our enduring themes – these matters align with and help us to deliver on our three sustainability priorities of shape thriving communities, optimise and innovate, and enrich our value chain. Our management approach to each of these matters is well developed and embedded in our day to day operations.
- our material matters – these matters have been identified as the emerging issues that impact the landscape in which we operate and represent future risks and opportunities for our business and our stakeholders.

Enduring themes

We have a long history of addressing sustainability matters that respond to our stakeholders, such as our resource efficiency and the diversity of our workforce. Our responses to these matters are embedded in our day-to-day operations, and we continue to enhance our management of these themes given their importance to our stakeholders and to our business.

Our sustainability reporting suite consists of a series of Deep Dive documents specific to sustainability matters as outlined in the table below. Each Deep Dive document has an associated management approach document that is reviewed annually and available on our website.

The reporting is prepared in accordance with the GRI Standards[1] (Comprehensive).

SUSTAINABILITY STRATEGY PRIORITY	ANNUAL DEEP DIVE REPORTS
Shape thriving communities	- Community - Customer Engagement and Experience
Optimise and innovate	- Asset Rating and Certification - Biodiversity - Carbon and Energy - Climate Resilience - Waste and Materials - Water Management and Quality
Enrich our value chain	- Employee Engagement, Development, Diversity and Inclusion - Health and Safety (employee and customer safety) - Human Rights - Governance and Risk - Stakeholder Engagement - Supply Chain

Material matters

In addition to our enduring themes, we have identified emerging issues that impact the landscape in which we operate. They represent future risks and opportunities for our business and our stakeholders over the short, medium and long-term.

Our material matters also align with the core priorities of our sustainability strategy. We anticipate that these matters will evolve over time and we will continue to work with relevant stakeholders to shape these issues going forward.

A summary of our material matters and where further information can be found is provided below.

1. Climate change impacts our assets, operations and the broader community

Extreme weather and other climate change related events have the potential to damage our assets, disrupt operations and impact the health and wellbeing of our customers and communities. We are committed to creating climate resilient assets that operate with minimal disruption in the event of increased climate events, as well as building strong communities that are equipped to adapt to climate change risks and opportunities.

To do this, we will continue to:

- assess our portfolio for climate and community resilience and implement action plans
- embed climate resilience within our standard asset risk assessments
- evolve our scenario analysis over time.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/).

To further demonstrate our commitment to climate action and best practice disclosure we were an early adopter of the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

Other stakeholders potentially impacted by this issue include investors, the property industry, community, and government.

(See our Climate Resilience Deep Dive, our Carbon and Energy Deep Dive, our FY18 Annual Report (pages 19-23), and 'Operational Excellence' and 'Optimise and Innovate' within our Annual Review 2018).

2. Housing affordability continues to impact the dynamics of the Australian housing market

Our Communities business is influenced by the dynamics of the Australian housing market. Housing affordability remains of key concern for Australians. We consider a suite of measures is required to unlock housing supply and address affordability, including early planning and delivery of infrastructure, and simplified development controls to enable housing diversity.

To address affordability, we will continue to:

- partner with government and industry to drive solutions
- provide a broader mix of value for money housing options including house and land packages, completed housing and townhomes
- balance the demand from home owners and investors so that our residential communities remain attractive to future buyers
- improve efficiency across the business and manage costs while investigating alternative building methods and build-to-rent models
- address what our customers want by providing a strong community value proposition.

Other stakeholders potentially impacted by this issue include the property industry, investors and customers.

(See 'Our Business' and 'Grow Our Asset Returns and Customer Base' within our Annual Review 2018).

3. Security risks and unexpected market events impact business continuity and community resilience.

The safety of our customers and employees is a key priority. Managing their safety and the resilience of the communities in which we operate is becoming increasingly complex. This includes safety and security risks associated with terrorism, cyber threats and extreme weather events.

To make our business more resilient we will continue to:

- train our employees and increase their risk awareness
- undertake regular scenario testing
- engage with peers and across industries
- invest in asset upgrades and adapt community design to improve resilience
- actively manage our corporate insurance program.

We also have strategies in place for unexpected market events that may impact business continuity such as potential volatility within our supply chain and energy price shocks.

Other stakeholders potentially impacted by this issue include investors, customers, community, industry and employees.

(See our Health and Safety Deep Dive, our Climate Resilience Deep Dive, our Governance and Risk Deep Dive, and 'Optimise and Innovate' within our Annual Review 2018).

4. Changes within the retail sector impacts retail operating models

The retail landscape is constantly evolving. Within the last 10 years the sector has seen a convergence of technological advances, in particular e-commerce, the entry of new, international retailers and changes in underlying consumer behaviour. These changes have challenged some of our retailers. We have been proactive and have pre-empted many of the changes and will continue to:

- remix our assets with a focus on experiential retail, food catering and retail services including beauty and health service providers
- redevelop our assets to create diverse, walkable town centres that form the social hub of the community
- leverage deep customer insights and analytics to inform our tenant remixing and centre design
- divest non-core assets subject to market conditions.

Other stakeholders potentially impacted by this issue include our customers and the property industry.

(See our Customer Engagement and Experience Deep Dive, Community Deep Dive, and 'Grow Our Asset Returns and Customer Base' within our Annual Review 2018).

5. Regulatory and policy changes impact our business and customers

Substantial policy reform presents both opportunities and potential impacts for our business and customers. Planning, infrastructure and tax reform remain key policy areas where we will continue to engage with industry and government.

We will also continue to:

- focus our development activity in areas where governments support growth
- drive leadership in areas including the retirement living sector, housing affordability and energy policy through proactive initiatives and engagement
- create developments in line with best practices to garner support from governments and community and prepare for potential regulatory changes.

Other stakeholders potentially impacted by this issue include investors, customers and the property industry.

(See our Stakeholder Engagement Deep Dive, and 'Our Business' within our Annual Review 2018).

6. Ability to develop products and deliver experiences that meet future customer and societal demands

Our ability to develop products that meet anticipated future customer and societal demands is crucial to the sustainability of our business, particularly considering Australia's changing demographics, including an ageing population and more socially conscious millennials.

To continue to meet and exceed the expectations of our customers and the community, we will remain focused on:

- customer choice including diverse housing products and offering retirement living contract options
- evolving our market leading product innovation and deepen our customer insights using our proprietary Liveability Index research, Stockland Exchange (our online research community), Quantium (which provides data-driven customer insights to inform how we view markets and opportunities) and other data sources
- enhancing our design excellence, providing greater functionality and value for money that meets the demands of Australia's changing demographics
- creating sustainable and liveable communities and assets, resilient to changes in climate.

Other stakeholders potentially impacted by this issue include our customers.

(See our Customer Engagement and Experience Deep Dive, Climate Resilience Deep Dive, Community Deep Dive, and 'Grow Our Asset Returns and Customer Base and 'Optimise and Innovate' within our Annual Review 2018).

7. Ability to harness digital business opportunities to remain competitive

There are myriad challenges and opportunities that arise from digital disruption, including changes to the way we use digital technology. To remain competitive, we must continually assess and leverage digital innovation. This includes facilitating a connected and agile workforce, more efficient business and supply chain processes, and digital lead nurturing and customer-centric innovation.

In March 2018, the executive-level position, Chief Innovation, Marketing and Technology Officer, was created to enhance our ability to progress commercial outcomes from innovation projects. It will also position us to use technology to further improve the mobility and flexibility of our workforce, enhancing customer service and the competitive advantage of our business.

To remain competitive, we will also continue to execute our Information Technology strategy with a focus on long-term strategic investment, and the identification and integration of technical enhancements across the business. This includes developing online residential and retirement living engagement opportunities, improved development and management processes and e-enabled retail town centres.

Other stakeholders potentially impacted by this issue include our customers and employees.

(See our Customer Engagement and Experience Deep Dive, and 'Grow Our Asset Returns and Customer Base' and 'Operational Excellence' within our Annual Review 2018).

8. Capital market volatility impacts our ability to transact and access suitable capital

Our long-term growth is dependent on our ability to access capital at the appropriate time and cost even as capital markets fluctuate in response to domestic and global economic shifts. Variable economic activity and changing capitalisation rates may impact the valuation of our assets and our ability to access capital.

So that we can continue to raise sufficient capital to fund growth, we will continue to:

- focus on retaining a strong balance sheet at appropriate levels of gearing
- maintain and increase access to diverse funding sources
- maintain our prudent capital management policies
- recycle capital from divested non-core assets.

Other stakeholders potentially impacted by this issue include investors, customers, community and employees.

(See 'Capital Strength' in our Annual Review 2018).

9. Ability to meet the changing nature of the workforce to attract, engage and retain employees

The ability to attract, engage and retain our employees is critical to our overall business performance. Similar to customer experience, employee experience is becoming increasingly important. Employees expect a work environment that enables greater flexibility in both where and how they work.

We are focused on how we actively set employees up for success and will continue to:

- improve our systems and processes to provide more efficient ways to work
- encourage flexible work practices supported by our new collaboration platforms
- train our senior leaders to be more agile and resilient through programs such as our Senior Leadership Experience program.

Other stakeholders potentially impacted by this issue include our employees.

(See our Employee Engagement, Development, Diversity and Inclusion Deep Dive, and 'Operational Excellence' and 'Enrich our Value Chain' within our Annual Review 2018).

10. Increasing expectation on organisations from the community

Community expectations on the social and behavioural operations of a "good corporate" are changing. Corporates are increasingly expected to work in partnership with the community and government on societal issues.

Corporate leaders are also expected to create a positive corporate culture by shaping business outcomes through a system of beliefs, values and behaviours.

We are well placed to meet these expectations and have a strong reputation for sustainability leadership and community development. We use a variety of tools to assess and progress the health of our culture including our annual employee engagement survey to capture employee feedback and our Stockland Leadership Framework to build leaders that align with our values.

Other stakeholders potentially impacted by this issue include our employees, community, and investors.

(See our Supply Chain Deep Dive, our Community Deep Dive, our Climate Resilience Deep Dive, our Human Rights Deep Dive, and 'Operational Excellence' and 'Chairman's Letter' within our Annual Review 2018).

Materiality process

We have used the materiality definition from the Integrated Reporting Framework that states 'an integrated report should disclose information about matters that substantively affect the organisation's ability to create value over the short, medium and long term'.

We identified our FY18 material matters using the following process.

IDENTIFY	EVALUATE AND PRIORITISE	ALIGNMENT AND DISCLOSURE

We combined the outcomes of the following two materiality processes to identify draft material matters:
 	
• Materiality test capturing internal and external perspectives in alignment with the principles of AA1000 and GRI Standards, including:
  • Investor research and engagement;
  • Customer feedback and insights;
  • Employee surveys;
  • Political and regulatory developments;
  • Industry engagement and advocacy; and
  • Social and mainstream media.
• An internal operational and strategic risk assessment.
 	
The resulting list of matters served as a starting point for our integrated reporting materiality workshop.
	An integrated reporting materiality workshop was held with members of the leadership team to identify any additional relevant issues, rank issues of greatest significance and prioritise them based on their ability to affect value.
	
	Material matters were mapped in terms of their potential impact on value creation over the short, medium and long term.
		Following the materiality workshop, the identified material matters were presented to our internal Integrated Reporting Committee.
		
		Once confirmed, the matters formed the basis of the Board and Executive Committee's strategy discussion.

United Nations Sustainable Development Goals

We are a signatory to the United Nations Global Compact (UNGC) and support the 10 principles of the Global Compact on human rights, labour, environment and anti-corruption. Our FY18 sustainability reporting also serves as our UNGC Communication on Progress.

We contribute to a number of the 17 United Nations Sustainable Development Goals, as highlighted in the table below.

LINKAGES BETWEEN OUR ACTIVITIES AND THE UN SUSTAINABLE DEVELOPMENT GOALS

ICON	GOAL	HOW WE DO IT
3 GOOD HEALTH AND WELL-BEING	Goal 3 – Good health and wellbeing	Through our focus on employee wellbeing (Employee Engagement, Development, Diversity and Inclusion Deep Dive), community wellbeing (Community Deep Dive), and health and safety (Health and Safety Deep Dive).
4 QUALITY EDUCATION	Goal 4 – Quality education	Through our community development activities and partnerships focused on education (Community Deep Dive).

ICON	GOAL	HOW WE DO IT
5 GENDER EQUALITY	Goal 5 – Gender equality	Through our commitment to gender pay equity and targets for women in management (Employee Engagement, Development, Diversity and Inclusion Deep Dive).
7 AFFORDABLE AND CLEAN ENERGY	Goal 7 - Affordable and clean energy	Through our focus on energy efficiency and renewable energy (Carbon and Energy Deep Dive).
8 DECENT WORK AND ECONOMIC GROWTH	Goal 8 – Decent work and economic growth	Through our focus on our employees (Employee Engagement, Development, Diversity and Inclusion Deep Dive) and our focus on local economic outcomes where we operate (Supply Chain Deep Dive).
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Goal 9 - Industry, innovation and infrastructure	Through our appointment of a Chief Innovation, Marketing and Technology Officer, our Employee Innovation Groups (Employee Engagement, Development, Diversity and Inclusion Deep Dive) and our focus on innovation in our supply chain (Supply Chain Deep Dive).
11 SUSTAINABLE CITIES AND COMMUNITIES	Goal 11 – Sustainable cities and communities	Through our focus on resource efficiency (Carbon and Energy Deep Dive, Water Management Deep Dive, Waste and Materials Deep Dive), climate risk management (Climate Resilience Deep Dive), and thriving communities (Community Deep Dive).
13 CLIMATE ACTION	Goal 13 – Climate Action	Through our focus on energy efficiency and renewable energy (Carbon and Energy Deep Dive), as well as our focus on climate resilient assets (Climate Resilience Deep Dive).
15 LIFE ON LAND	Goal 15 – Life on land	Through our commitment to have a net positive impact on biodiversity across our residential developments (Biodiversity Deep Dive).

ICON	GOAL	HOW WE DO IT
17 PARTNERSHIPS FOR THE GOALS	Goal 17 – Partnerships for the Goals	Through our strong engagement with our stakeholders (Stakeholder Engagement Deep Dive), our focus on our customers (Customer Engagement and Experience Deep Dive), and our expectations on our suppliers (Supply Chain Deep Dive).

Reporting scope

We operate exclusively in Australia.

We own, manage and develop a growing portfolio of retail town centres, logistics centres, business parks, workplace assets, residential communities and retirement living communities. Throughout our sustainability reporting, our data and content are broken down and presented by our business units (Commercial Property and Communities) to capture and reflect the unique challenges and achievements specific to each business unit.

In some instances, however, we have reported data and content more holistically as the challenges, achievements and management approaches are inherently similar across all businesses.

With regard to external boundaries, unless otherwise stated we do not include data for entities outside the organisation. For our supply chain, we discuss management of our consultants, contractors and sub-contractors, but only provide data relating to these external entities if and when they fall within our 'operational control' boundary, as defined by the *National Greenhouse and Energy Reporting Act 2007 (NGER Act)*.

External assurance

We have reported in adherence to the AA1000 AccountAbility Principles of inclusivity, materiality and responsiveness and in accordance (Comprehensive) with the Global Reporting Initiative Sustainability Reporting Standards. Please refer to the GRI Index for more detailed information on where relevant indicators are disclosed in our reporting suite.

The sustainability reporting content has been externally assured in accordance with the Australian Standard for *Assurance Engagements (ASAE3000): Assurance Engagements other than Audits and Reviews of Historical Financial Information* and *(ASAE 3410): Assurance Engagement on Greenhouse Gas Statements* by Ernst & Young (EY).

EY provides **limited assurance** over:

- material non-financial performance information including data on greenhouse gas and energy, community contribution, retail customer engagement, employee engagement, health and safety, gender diversity, water consumption, and waste production
- selected qualitative disclosure relating to performance data, and selected qualitative disclosures pertaining to our material issues as outlined within our reporting
- alignment to Comprehensive level of 'in accordance' reporting requirements of the GRI Standards.

EY provides **reasonable assurance** over our adherence to the AA1000 Principles of materiality, inclusivity and responsiveness.

A copy of EY's assurance statement is available on our website.

Feedback

We welcome your questions and value your feedback about our reporting approach.

Please contact us at sustainability@stockland.com.au

Asset Rating and Certification

FY18

Why this is important to Stockland

Asset ratings and certifications are a key means of assuring and demonstrating the quality of our assets. These ratings serve as independent validation that key sustainability aspects, including social and environmental factors, have been considered in our asset designs, developments and operations.

Rating and certification schemes also enable us to demonstrate compliance with state and national regulations, benchmark our sustainability performance against our peers and regularly track and improve our performance across our various asset classes.

Assets that are highly rated and can demonstrate optimal performance are often more attractive to customers and investors. Not only do they offer a certain level of energy and water efficiency, and therefore cost savings over the long term, they also incorporate various design features that promote social inclusion and enhance health and wellbeing. Buildings with high environmental ratings can demonstrate higher return on investment over time.[1]

This document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[2]

This Deep Dive is to be read in conjunction with our published approach to asset rating and certification, available as part of our sustainability reporting suite at Our Management Approach to Asset Rating and Certification.

Key achievements

- Received a 6 Star Green Star – Communities rating for our Waterlea (Vic) residential community currently under development in Melbourne.
- Achieved a 5 Star Green Star – Design rating (Retail Centre v1) for our Stockland Green Hills (NSW) development.
- Achieved a 4 Star Green Star – As Built rating (Retail Centre v1) on our Stockland Baldivis (WA) development.
- Completed Green Star – Performance portfolio rating on our Workplace and Business Parks portfolio.
- Completed NABERS Waste and Indoor Environment ratings on three assets in our Workplace and Business Parks portfolio.
- Registered our forthcoming Retirement Living development at Newport (Qld) under the Green Star – Design & As Built rating tool.

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[1] Green Building Council of Australia, Value of Green Star – A decade of environmental benefits, May 2013.
[2] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

FY18 priorities and progress

Commercial Property

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Achieve a 5 stars NABERS Energy portfolio average for our Workplace and Business Parks portfolio by FY20	In progress	Our NABERS Energy average for our Workplace and Business Parks portfolio is 4.35 stars (down from 4.74 stars at end of FY17). The decline is attributable to vacancy in our Workplace portfolio[3] and the installation of new equipment that impacts on base building energy usage at one of our business parks.
Achieve a 4.5 stars NABERS Energy portfolio average for our Retail Town Centre portfolio by FY20	In progress	Our NABERS Energy average for our Retail Town Centre portfolio is 4.18 stars (up from 3.98 stars at end of FY17).
Achieve a 4 stars NABERS Water portfolio average for our Workplace and Business Parks portfolio by FY20	In progress	Our NABERS Water average for our Workplace and Business Parks portfolio is 3.57 stars (down from 3.69 stars at end of FY17). The decline is largely attributable to increased vacancy in our Workplace portfolio.
Achieve a 3.5 stars NABERS Water portfolio average for our Retail Town Centre portfolio by FY20	In progress	Our NABERS Water average for our Retail Town Centre portfolio is 3.18 stars (slightly down from 3.20 stars at end of FY17).
Pilot three NABERS Waste ratings in our Retail portfolio	In progress	We are in the process of confirming the eligibility of our Retail Town Centre portfolio for NABERS Waste ratings.
Pilot three NABERS Waste ratings in our Workplace and Business Parks portfolio	Achieved	We completed NABERS Waste ratings on three assets in our Workplace and Business Parks portfolio.
Pilot one NABERS Indoor Environment rating in our Workplace and Business Parks portfolio	Achieved	We completed NABERS Indoor Environment ratings on three assets in our Workplace and Business Parks portfolio.
Commence the Green Star – Performance portfolio rating process for our Workplace and Business Parks portfolio	Achieved	We completed a Green Star – Performance rating for our Workplace and Business Parks portfolio, which achieved a 2 star rating (representing 'Average Practice').

Communities

Residential

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Pilot Green Star – Design & As Built certification on one new apartment project.	In progress	We have registered our apartment project at Birtinya (Qld) retirement village for Green Star – Design & As Built.
Review appropriateness of new projects for Green Star certification and embed processes to deliver credits with a focus on achieving the required five-year recertification of our Green Star – Communities rating.	Achieved	We have developed internal systems and processes to improve the delivery and recertification of our Green Star – Communities rated projects that are targeting recertification.
Conduct a review of the value of exceeding compliance NatHERS scores and investigate other built form rating tools.	Achieved	We have undertaken modelling of above average NatHERS compliance scenarios and are now looking to embed above regulation NatHERS scores in our residential developments as part of delivering on our target to reduce the energy demand of our Residential Townhomes and Completed Homes products by 10 per cent.

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[3] High vacancy rates can impact NABERS Energy ratings negatively because the whole building's energy use is apportioned to a small occupied area resulting in a higher rate of energy use per square metre of occupied area.

Retirement Living

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Achieve 4 Star minimum Green Star – Design & As Built rating for all new retirement living developments completed within the reporting period (excluding non-DMF projects).	In progress	We currently have two Retirement Living developments targeting 4 Star minimum Green Star – Design & As Built: Birtinya (Qld) and Newport (Qld).
Conduct a minimum of one Life Cycle Assessment (LCA) on a retirement living development project.	Not achieved	We did not conduct a LCA in FY18 because there were no Retirement Living developments in the appropriate stage of development. We remain committed to this priority and expect to conduct a LCA in FY19.

Future priorities

Commercial Property

- By FY20, deliver the following NABERS rating achievements:
    - 5 stars Energy portfolio average for Workplace and Business Parks
    - 4.5 stars Energy portfolio average for Retail Town Centres
    - 4 stars Water portfolio average for Workplace and Business Parks
    - 3.5 stars Water portfolio average for Retail Town Centres.
- Renew the Green Star – Performance rating for our Retail Town Centre portfolio.
- Complete a Green Star – Performance rating on one of our Logistics assets.
- Pursue Green Star – Design & As Built ratings using the new tool on our Retail Town Centre developments at Birtinya (Qld), Baringa (Qld), Elara (NSW) and Whiteman Edge (WA).

Communities

Residential

- Develop a set of common credits in collaboration with the GBCA that can be applied across all new Residential developments targeting a Green Star rating.
- Identify a carbon zero tool for use in assessing our built form Residential projects.

Retirement Living

- Continue to target 4 Star Green Star – Design & As Built certification for existing projects at Birtinya (Qld) and Newport (Qld), as well as any new developments initiated in FY19.
- Develop a set of Common Credits in collaboration with the GBCA that can be applied across all new Green Star targeted retirement living developments.

FY18 performance and case studies

Green Star

Green Star – Communities

The Green Star – Communities rating tool, administered by the Green Building Council of Australia (GBCA) is a voluntary certification for developers of masterplanned communities that recognises the achievement of best practice sustainability outcomes. Our forthcoming community at Waterlea (Vic) was awarded 6 Star Green Star – Communities rating, as described in greater detail in the case study below.

We continue to work with new developments to ascertain the appropriateness of Green Star certification. We have developed internal systems and processes to improve the delivery and recertification of our Green Star – Communities rated projects that are targeting recertification. These are Cloverton (Vic), The Grove (Vic), Newport (Qld), Altrove (NSW), Willowdale (NSW) and Waterlea (Vic). We continue to work with the Green Building Council of Australia to build greater efficiencies into the Green

Star – Design & As Built and Green Star – Communities rating tools, and to improve recognition of the Green Star brand and rating tools in the industry and with our customers.

CASE STUDY
Waterlea achieves 6 Star Green Star – World Leadership

We were awarded a "World Leadership" 6 Star Green Star – Communities rating by the Green Building Council of Australia (GBCA) for our Waterlea (formerly known as Stamford Park) Townhomes 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 Townhomes project to be rated under the Green Star – Communities tool and one of the first Townhomes 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 recognised as "World Leadership" with a 6 Star Green Star – Communities rating from the Green Building Council of Australia.

Green Star – Performance

Green Star – Performance, also administered by the GBCA, is a voluntary certification that rates a buildings performance in operation. We use the Green Star – Performance tool to: complement our other Green Star certifications, set performance targets, and deliver improved outcomes.

Retail Town Centres

Our Retail Town Centre portfolio received a Green Star – Performance portfolio rating in May 2016 and we will be commencing the three-year recertification process in FY19. Ratings for individual retail town centres are provided in our Environmental Data Pack.

Workplace and Business Parks

We completed a Green Star – Performance rating for our Workplace and Business Parks portfolio in FY18, which achieved a 2 star rating (representing 'Average Practice') with a score of 28 points. To achieve a portfolio rating of 3 stars ('Good Practice'), we needed 30 points, and we expect our portfolio rating to increase as we enhance systems efficiency and enter into new supplier contracts that include sustainability requirements.

In addition to the portfolio rating, each building has an individual rating provided in our Environmental Data Pack.

Logistics

In FY19 we will pilot a Green Star – Performance rating on one of our Logistics assets, which we will use to test the difficulty of the process on a building type that does not have a NABERS rating tool available to benchmark energy and water performance and where we do not have access to utility billing data (because we are not deemed to have operational control).

Green Star – Design & As Built

We have the largest number of Green Star rated (Design & As Built) retail town centres in Australia, as verified by the GBCA. We continue to target our Green Star certifications across our new Retail Town Centre and Retirement Living development projects.

Below are some key Green Star achievements for our business in FY18. A comprehensive list of Green Star ratings for our Commercial Property assets, Retirement Living communities, and Residential communities as at 30 June 2018 is provided in our Environmental Data Pack.

Commercial Property

In FY18, we achieved a 5 Star Green Star – Design rating (Retail Centre v1) on our Stockland Green Hills (NSW) retail town centre development, and a 4 Star Green Star – As Built rating (Retail Centre v1) on our Stockland Baldivis (WA) retail town centre development.

We also have several smaller retail town centre projects currently registered for Green Star Design and As Built ratings. These include Elara (NSW), Whiteman Edge (WA); Birtinya (Qld) and Baringa (Qld). These will be the first Stockland retail town centres to be certified under the new Green Star – Design & As Built version of the rating tool.

For our Logistics and Business Parks portfolio, we have committed to integrate sustainability standards into our design brief so we maintain consistency in the design of logistics buildings to deliver good environmental outcomes. Examples of minimum sustainability standards outlined in the design briefs include:

- energy efficient LED or fluorescent lighting in office, warehouse and external areas, zoned and time controlled with occupancy and daylight sensors
- HVAC (heating, ventilation and air conditioning) systems with minimum energy performance ratings, time controlled and using refrigerants with zero ozone depletion potential and free of chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs)
- water efficient bathroom and kitchen fixtures and fittings with WELS[4] ratings and solar hot water heating
- rainwater collection for toilet flushing and landscape irrigation.

Retirement Living

We have registered our forthcoming Retirement Living development at Newport (Qld) to be rated under the Green Star – Design & As Built rating tool.

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[4] WELS is Australia's water efficiency labelling scheme requiring certain products to be registered and labelled with their water efficiency (www.waterrating.gov.au).

NABERS

We completed NABERS Energy and NABERS Water ratings for the calendar year 2017 for the full number of eligible assets in our Retail Town Centre, Workplace and Business Parks portfolios. Stockland Green Hills (NSW) is not eligible for rating as it has been in development and does not yet have a full 12 months of operational utility data to undertake a rating.

NABERS ratings – Retail Town Centre

Following the NABERS ratings undertaken in FY18 on our Retail Town Centre portfolio, the area weighted portfolio average for NABERS Energy has improved to 4.15 stars (3.98 stars in FY17) and reduced slightly for NABERS Water at 3.18 stars (3.20 stars in FY17). Nine assets out of 25 achieved an improved energy rating in FY18, and four assets received a lower rating. For water, seven assets achieved an improved rating while two assets achieved a lower rating. This year we resolved technical issues that have been preventing our capacity to achieve NABERS ratings at Stockland Wetherill Park (NSW), Stockland Merrylands (NSW) and Stockland Cairns (Qld) in previous years.

Key achievements regarding our NABERS ratings for our retail town centres include:

- energy ratings of 4.0 stars or better for 76 per cent of our retail town centres (out of 25 ratings)
- Stockland Shellharbour (NSW) was the most improved centre with an energy rating of 5 stars (one star improvement from last year)
- water ratings of 4.0 stars or better for 55 per cent of our retail town centres (out of 22 ratings)
- Stockland Bathurst (NSW) and Stockland Hervey Bay (Qld) had the most improved water ratings, each increasing by one star with ratings of 4.5 stars and 5 stars respectively.

A full list of NABERS ratings in our Retail Town Centre portfolio is provided in our Environmental Data Pack.

NABERS ratings – Workplace and Business Parks

NABERS Energy

Following the completion of NABERS Energy ratings for our Workplace and Business Parks assets for 2017, the area weighted portfolio average for our Workplace portfolio has reduced to 4.52 stars (4.61 stars in FY17), and the average for our Business Parks portfolio has reduced to 4.22 stars (4.42 stars in FY17). The reduction for the Workplace portfolio was due to vacancy at two buildings (2 Victoria Avenue Perth and 88 Jephson Street Toowong).[5] On an area weighted basis, this has the effect of reducing the portfolio average. The reduction in the Business Parks portfolio resulted from the half-star reduction in the NABERS Energy rating or the Optus Campus, which accounts for a large proportion of the floor area of our Business Parks portfolio as a whole. The Optus Campus rating was impacted because of a new heating, ventilation, and air conditioning system installed by the tenant, which impacts on our base building energy consumption used for our NABERS rating.

The combined Workplace and Business Parks portfolio average is 4.35 stars which is a reduction on the FY17 result of 4.74 stars. The reduction is due to a combination of the reductions in energy ratings for the locations mentioned above and the inclusion of low energy ratings for two buildings in the Mulgrave Complex (Vic) which did not receive a rating in FY17.

NABERS Water

Our area weighted NABERS Water average for 2017 for our combined Workplace and Business Parks portfolio is 3.57 stars, which is a reduction on 2016 (3.69 stars). Our area weighted NABERS Water average for our Workplace portfolio has reduced to 3.55 stars (3.98 in FY17), whereas for our Business Parks portfolio it has increased to 3.59 stars (3.48 in FY17). The reduction in the Workplace portfolio is due to several large buildings with lower ratings this year because of increased water consumption and higher vacancy. The increase in the Business Parks portfolio is due to an increase in the rating for the Optus Campus which because of its large floor area, has a significant impact on the average despite one other location with a smaller floor area that had a reduced rating.

Key achievements regarding our NABERS ratings in Workplace and Business Parks include:

- energy ratings of 4.0 stars or better for 65 per cent of the portfolio (out of 20 ratings)
- 66 Waterloo Road (NSW) and 16 Giffnock Avenue (NSW) were the most improved buildings with an energy rating of 5.5 stars and 4.5 stars respectively (each a half star improvement from last year)
- water ratings of 4.0 stars or better for 28 per cent of the portfolio (out of 18 ratings)
- Optus Campus (NSW) was the most improved building, increasing its water rating by 0.5 star to 4.5 stars.

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[5] High vacancy rates can impact NABERS Energy ratings negatively because the whole building's energy use is apportioned to a small occupied area resulting in a higher rate of energy use per square metre of occupied area.

NABERS Waste and Indoor Environment

This year we have undertaken NABERS Waste and Indoor Environment ratings on three Workplace and Business Parks assets for the first time. We did this to test the rating tools and understand the cost and complexity in doing these ratings if we were to commit to rating the whole portfolio. At this stage, we are working with our assessors to understand the rating results, the inputs and impacts of variables which contribute the rating.

NABERS ratings – Stockland Corporate Office

We are a CitySwitch[6] signatory for our corporate offices in Sydney, Melbourne and Perth. We complete a NABERS Tenancy rating each calendar year for our corporate offices, as outlined below. In FY18, we completed a rating on our Brisbane Head Office for the first time following a major fitout in 2016 and achieved a rating of 4.5 stars, which is our best performing state office.

NABERS RATINGS – STOCKLAND CORPORATE OFFICES

	TENANCY RATING				
	2017	**2016**	**2015**	**2014**	**2013**
Sydney Head Office, L22-29, 133 Castlereagh Street	4.0	4.0	4.5	4.5	4.5
Melbourne Head Office, L7, 452 Flinders Street	3.5	3.5	3.5	3.5	2.0
Perth Head Office, L1, 2 Victoria Avenue	3.5	3.5	3.5	3.0	NA
Brisbane Head Office, L4, 99 Melbourne Street	4.5	NA	NA	NA	NA

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[6] CitySwitch supports commercial office tenants to improve office energy and waste efficiency (www.cityswitch.net.au).

Australia's first corporate Green Bond

The diversity of our debt funding is a key element of our capital strength. By leveraging our position as one of Australia's leading sustainable property companies, we sought to appeal to a new type of investor and raise funds in a new market. In November 2014, we successfully issued Australia's first corporate Green Bond, raising €300 million (A$433 million),[7] enabling us to further invest in leading edge sustainable projects with competitive long-term funding.

The Green Bond Principles (2016) defines that "Green Bonds raise funds for new and existing projects with environmentally sustainable benefits. The Green Bond Principles (GBP) are voluntary process guidelines that recommend transparency and disclosure, and promote integrity in the development of the Green Bond market." Our Green Bond is compliant with these principles.

The table on the next page outlines the allocation of these funds across our eligible projects in FY18. These projects include new and recently developed assets that meet the sustainability criteria of our Green Bond. Our Green Bond is audited and the audit statement from auditors KPMG can be reviewed on our website.

GREEN BOND ALLOCATION

TYPE OF PROJECT	SITE	FINANCIAL ALLOCATION ($ MILLION AUD)	GREEN STAR RATING
Development (Use of Proceeds Category I)	Aura (Qld)	157.1	6 Star – Communities (achieved)
	Cloverton (Vic)	9.5	6 Star – Communities (achieved)
	Willowdale (NSW)	51.1	6 Star – Communities (achieved)
	Altrove (NSW)	14.8	5 Star – Communities (achieved)
	Newport (Qld)	35.6	5 Star – Communities (achieved)
Redevelopment (Use of Proceeds Category II)	Stockland Green Hills (NSW)	159.9	5 Star – Retail Centre Design (achieved)
	Solar projects at Retail Town Centre assets	5.0	Solar projects across multiple Retail Town Centre assets
	Total	**433**	

Additionally, we have completed post-development performance monitoring on operational assets that we featured in the bond. The key aspect that we have been monitoring is carbon emissions. We confirm that Stockland Retail Policy applies to these assets.

SITE	FY16 (KGCO$_2$-E/M^2)	FY18 (KGCO$_2$-E/M^2)	VARIATION FY16 - FY18	NOTES
Baldivis	83	43	-48%	
Wetherill Park	75	22	-71%	
Hervey Bay	60	51	-15%	
Shellharbour	38	29	-24%	
Total	**58**	**32**	**-45%**	Weighted average reduction of assets

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

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[7] Conversion rates AUD/EUR was 1.443 corresponding to the swap rates used on the date the bond was priced (24 October 2014). This is unchanged for the life of the bond.

Biodiversity

Why this is important to Stockland

We develop new land for housing, including infrastructure and social amenities, to create sustainable, thriving communities. Development brings challenges and opportunities that we manage as we deliver our projects. In particular, developments on greenfield sites can impact local bushland habitat, ecological communities and protected or significant species.

As part of our strategy to deliver shared value, we aim to minimise and mitigate these impacts to protect the biodiversity of our surrounding environments. We appreciate that preserving biodiversity enhances the liveability and vitality of our communities over the long term. Our Liveability Index survey results tell us that our residential customers value green space and a connection to nature. We also understand the inherent value of biodiversity conservation for protecting the values of Australia's unique flora and fauna. We therefore seek to balance developable land with retention and activation of biodiversity to enhance the long-term success of our masterplanned communities. By proactively minimising and mitigating the impacts on biodiversity, we are also able to have more productive conversations at all levels of government on our development proposals.

The impacts of our business on biodiversity are, for the most part, unique to our greenfield residential developments and in particular our masterplanned communities. These impacts may occur both during construction (e.g. clearing, sediment runoff, changed hydrological regimes) and as a result of urbanisation (e.g. poaching species, introduction of invasive species, isolation of habitat).

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] The material in this Deep Dive is supported by a wider collection of performance metrics contained in our Environmental Data Pack.

This Deep Dive is to be read in conjunction with our published approach to biodiversity, available as part of our sustainability reporting suite at Our Management Approach to Biodiversity.

Our key achievements

- Protected around 2,202 hectares of land, upon completion of our current developments, for the purposes of managing biodiversity in perpetuity (including land both on our sites and land offsite dedicated as an offset for biodiversity).
- Worked to rehabilitate and restore 204 hectares of biodiversity during the year.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
For new masterplanned residential communities being planned from FY18, make an aggregated net positive contribution to the biodiversity value by FY20 as determined by the biodiversity calculator.	In progress	The only project with significant biodiversity value assessed in FY18 was Mt Atkinson (Vic), which achieved a positive impact score of 11.94 according to our biodiversity calculator.

FY18 performance and case studies

We have identified biodiversity that will be protected on site in 20 of our projects under construction in FY18. We will have placed approximately 2,202 hectares of land into protection for the purposes of biodiversity management once these projects are complete. Many of the areas identified for protection include species that are considered threatened or vulnerable.[2] Our biodiversity management is guided by site investigations undertaken by experienced ecologists throughout the process of masterplanning a project. Proposed conservation actions are then reviewed by the local or state regulatory authority for approval.

Our FY20 target is to make a net positive contribution to biodiversity value across our residential developments, as measured by our biodiversity calculator. The only project with significant biodiversity assessed by the calculator in FY18 was Mt Atkinson (Vic). At Mt Atkinson our overall impact will be positive once the project is complete with 39 hectares of land rehabilitated and replanted (score of +11.94). A full list of projects scored by our calculator since FY15 is provided in our Environmental Data Pack. More information on the methods behind our biodiversity calculator can be found in Our Management Approach to Biodiversity.

CASE STUDY
Maintaining and enhancing ecological connections

We understand that the land we own and develop exists within an ecological context that extends beyond our site boundaries. Our forthcoming residential community of over 1,600 residences at Newport (Qld) is being developed on land with little ecological value. However, it is located adjacent to the 110,000 hectare Moreton Bay Marine Park wetland of international significance (as specified in the Ramsar Convention on Wetlands).

The wetlands reserve includes different habitat types such as ephemeral freshwater wetlands, paperbark woodland and casuarina forest, intertidal mudflats and saltmarsh communities, and mangrove communities which are significant wader bird roosting areas. Bird spotters have identified 197 bird species inhabiting the area in or near wetlands. The area is also home to koalas, greater gliders, grey headed flying foxes and native orchids.

Given Newport's location adjacent to such an environmentally sensitive context, we maintained existing water flow regimes in the design of the masterplan to minimise impacts on local wetland water cycles. We also provided for a buffer area between the urban boundary and the wetland to reduce disturbance to migratory and wader birds.

We will be reconstructing and rehabilitating ecological drainage corridors through landscape management, and will reduce pollution through strategic installation of gross pollutant traps. Our work on biodiversity in and around Newport enables our development to have a positive overall impact on biodiversity value (score of +3.08).

In recognition of the opportunity to use Newport to further enhance its environmental context, the project is committed to ongoing protection and monitoring of the Ramsar wetland. We recently awarded a $30,000 contract for litter collection and monitoring associated with the environmental management of the wetlands. Monitoring results will be used to build a greater understanding of wetland conditions and how Newport can support its local ecosystem.

Our new residential community at Newport (Qld) will make a positive contribution to biodiversity value and care for the wetlands adjacent to the community.

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[2] A total of 50 species on our development sites are considered threatened under Australian State and/or Commonwealth legislation. Of these species 16 are included under various threatened species categories on the IUCN Red List.

Biodiversity conservation activities

We delivered 204 hectares of rehabilitation works during the year. Rehabilitation activities help support the longevity and resilience of significant biodiversity identified on our sites and is generally undertaken by specialist contractors as part of our biodiversity commitment for the project. At our Foreshore (Qld) residential community, for example, we will undertake rehabilitation works on an area of the Coomera River foreshore that is prone to erosion before we hand it over to the state government for ongoing management. We are also rehabilitating a broader area of the riparian corridor before it is transferred to Gold Coast Council for ongoing ownership and management.

We also engage local community groups in our biodiversity activities to both enhance the extent of our impact and educate local communities on biodiversity values. At Aura (Qld) we are working with Healthy Waterways and Catchments, which is managing our community reference network of up to 18 local stakeholder groups as part of our biodiversity commitment for the project. At Cloverton (Vic), stakeholder engagement for the Merri Creek masterplanning has involved Wurundjeri Tribe Council, National Pacific Properties, Hume City Council, City of Whittlesea, Mitchell Shire, Merri Creek Management Committee, Melbourne Water, Yarra Valley Water, Bicycle Network Victoria, Transport for Victoria and Department of Environment Land Water and Planning. These groups will help to define the value and biodiversity management activities planned for the rehabilitation of the Merri Creek corridor.

At Promenade (Qld), in accordance with our development approvals we removed around three hectares of vegetation not considered to be significant according to council, state, or federal regulations. We are working toward a positive biodiversity outcome for the project by exceeding regulatory requirements for water quality discharge to protect adjacent wetland ecosystems.

CASE STUDY
Boosting locally native species at Pallara

We can deliver a net positive impact on biodiversity value by providing secure tenure for conservation areas and by rehabilitating more native habitat than we remove over the course of a development.

At our Pallara (Qld) residential community development, we are replanting and rehabilitating at least 56 hectares of native bushland and waterway within the site boundary. We are also providing for a further 32 hectares to be placed into permanent conservation outside of the project boundary to offset 13 hectares of habitat loss within the project boundary. Once rehabilitated the area will be protected by Brisbane City Council as an environmental conservation reserve and community open space.

We have allocated around $3.7 million to biodiversity restoration activities associated with the development. Suitable species native to the local area have been selected for all vegetation rehabilitation areas to build resilient habitat. We are using drought-tolerant species for open space areas to improve likelihood of survival and reduce requirements for water and maintenance, eliminating irrigation requirements.

Over 6,800 trees of species suitable for koala habitat and foraging will be planted. We also leverage locally native species in our water sensitive urban design to provide water quality filtration. In the past 12 months we have planted 72,000 plants and rehabilitated 5.6 hectares as part of a five-year site rehabilitation contract. We have installed 20 nesting boxes to improve habitat for birds, possums and other species that would typically access old growth trees with hollows.

A large proportion of our residential community at Pallara (Qld) is to become a conservation zone (green shading), with additional areas (blue and maroon shading) to undergo ecosystem rehabilitation to restore ecological connectivity within the Oxley Creek corridor.

We have installed cameras to monitor the rates of success associated with the nesting boxes and have observed gliders, bats, possums and parrots using the boxes. Results of our monitoring will help inform our understanding of how we can use nesting boxes as a means of repopulating target species.

Our focus on biodiversity at Pallara means that the development will have a positive impact on biodiversity value overall (biodiversity calculator score of +27.59).

Other project-specific examples of our conservation activities in FY18 include:

- protection of local grassland habitat for the Golden Sun Moth at Allura (Vic), which will be included in the Parks Victoria protected area estate on completion
- monitoring of the translocation of Grand Spider-orchids from within the development boundary at Calleya (WA) to an area with a large population of the orchids and managed for long term conservation
- conservation of land at Cloverton (Vic) in perpetuity by transferring ownership to either Melbourne Water or Hume City Council
- protection of ecology onsite at Brooks Reach (NSW) through a mix of land transfer and restrictive title covenants, as well as protection of additional land offsite through the NSW Biobanking scheme
- rehabilitation of 8.5 hectares of native bushland which provides habitat to koalas and wallum froglet at our Stoneridge (Qld) project, providing a corridor of valuable habitat for the species
- provision of a minimum of 200 metre development buffer along the Werribee River at The Grove (Vic), which will form part of the Werribee River Regional Park
- relocation of native animals found during earthworks at Whiteman Edge (WA)
- provided native trees to residents for planting in their gardens, and installed nesting boxes to provide habitat for native species at Altrove (NSW).

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Carbon and Energy

FY18

Why this is important to Stockland

We have a longstanding commitment to manage climate change risk and reduce our carbon emissions. We recognise our role to influence the energy efficiency of our assets and have taken a proactive approach to developing energy efficiency programs and implementing action plans over a number of years.

The increasing cost of energy, particularly electricity, poses a challenge for the property industry and for all Australians. As electricity is an increasing proportion of our assets' operating expenditure, improvements in energy efficiency enable us to reduce cost and improve our operational efficiency. Integrating energy efficiency considerations into the design and construction of our assets can also help to reduce the energy requirements (and electricity costs) of our tenants and residents.

The increasing cost of power also means that renewable energy options such as solar have become cost-effective choices for our energy supply. The declining cost of solar infrastructure works in tandem with the increasing cost of conventional energy to make solar a sound business investment. We look to design and technology innovation and access to alternative energy supplies to help us and our customers realise a cost efficient, low carbon future. Improving the energy efficiency of our assets and communities not only improves environmental outcomes, but also provides cost of living benefits and economic advantages for our business.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] The material in this Deep Dive is supported by a wider collection of performance metrics contained in our Environmental Data Pack.

This Deep Dive is to be read in conjunction with our published management approach to carbon and energy, available as part of our sustainability reporting suite at Our Management Approach to Carbon and Energy.

Our key achievements

- Completed our largest solar photovoltaics (PV) installation at Stockland Green Hills (NSW, 1.85 MW), as well as an additional installation at Stockland Caloundra (Qld, 0.25 MW), bringing our total portfolio solar PV capacity to 4.36 MW and generating approximately 6,000,000 kWh in renewable energy annually.
- Committed to additional solar PV that brings our total investment in solar to around $30 million, leading the industry with an expected 16.36 MW of solar PV capacity across our Commercial Property portfolio by the end of FY19.
- Delivered Tesla Destination Chargers and ChargePoint charging stations across our retail town centres, bringing our total to 67 electric vehicle charging stations in 23 locations.
- Completed LED lighting upgrades across a number of our retail town centres that will result in approximately 1,700,000kWh of annual electricity savings.
- Delivered a four-bedroom house at North Shore (Qld) designed to achieve a NatHERS[2] thermal comfort rating of 9.3 out of 10 and equipped with solar photovoltaics and battery storage, which acts as a sales office and education tool for prospective residents.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)
[2] The Nationwide House Energy Rating Scheme (NatHERS) is a star rating system (out of ten) that rates the energy efficiency of a home, based on its design (www.nathers.gov.au).

In this document you will find:

FY18 priorities and progress

Commercial Property

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Achieve a 60 per cent carbon reduction intensity target for Retail Town Centre, Workplace, and Business Parks assets (FY06 – FY25)	In progress	At 30 June 2018, we have achieved a carbon intensity reduction of 52 per cent against FY06 for the Retail Town Centre, Workplace, and Business Parks portfolio.
Reduce carbon intensity in our Retail Town Centre portfolio by 10 per cent by FY20, against the FY17 benchmark	In progress	At 30 June 2018, we have achieved a carbon intensity reduction of six per cent against FY17 for our Retail Town Centre portfolio.
Reduce carbon intensity in Workplace and Business Parks by five per cent by FY20, against the FY17 benchmark	In progress	At 30 June 2018, we have achieved a carbon intensity reduction of two per cent against FY17 for our Workplace and Business Parks portfolio.
Achieve a 4.5 stars NABERS Energy average for our Retail Town Centre portfolio	In progress	Our NABERS Energy average for our Retail Town Centre portfolio is 4.18 stars (up from 3.98 stars at end of FY17).
Achieve a 5 stars NABERS Energy portfolio average in our Workplace and Business Parks portfolio	In progress	Our NABERS Energy average for our Workplace and Business Parks portfolio is 4.35 stars (down from 4.74 stars at end of FY17). The decline is attributable to vacancy in our Workplace portfolio and the installation of new equipment that impacts on base building energy usage at one of our business parks.
Continue to install electric vehicle charging stations across our Retail Town Centre portfolio	In progress	We have installed new ChargePoint chargers at Stockland Hervey Bay (Qld), Stockland The Pines (Vic) and Stockland Green Hills (NSW) in addition to the rollout of 43 Tesla destination chargers at 23 locations across the Retail Town Centre portfolio.

Communities

Residential

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Exceed relevant minimum energy related compliance standards by 10 per cent within our residential communities	Achieved (in part)	We modelled the performance of three residential communities: Brightwater (Qld) exceeded compliance standards by 35 per cent, Arve (Vic) exceeded compliance standards by 39 per cent, and Altrove (NSW) exceeded compliance standards by 9.5 per cent.
Complete an alternative water and energy infrastructure delivery feasibility study to better understand how we could partner with a utility provider to deliver more sustainable supply of energy and water to our residential communities	In progress	We commissioned a review of infrastructure opportunities across the various types of our Residential developments, to inform the development of an alternative water and energy infrastructure strategy.

Retirement Living

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Exceed relevant minimum energy related compliance standards by 10 per cent in all new developments	In progress	No new developments commenced in FY18; 10 per cent reduction target to be applied to all new developments commencing in FY19.

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Install at least five solar photovoltaic systems across village clubhouses by FY20	In progress	Installations have been completed in FY18 to village community centres at Fig Tree (Qld) and Wamberal Gardens (NSW).
Achieve a five per cent energy reduction target by FY20 (for villages with sub-metering)	In progress	Our pilot sub-metering and monitoring program has led to a 4.9 per cent decrease in energy consumption at Tarneit Skies (Vic) and 0.05 per cent increase in energy consumption at The Willows (NSW).
Formalise solar guidelines and supporting documentation that apply to village residents	In progress	Solar guidelines for village teams and residents have been drafted and will be formally released in FY19.

Future priorities

Commercial Property

- Achieve net zero carbon by 2030 for our Industrial portfolio and Corporate Head Offices based on the World Green Building Council "Net Zero Carbon Buildings Commitment".
- Achieve a 60 per cent carbon intensity reduction for Retail Town Centre, Workplace and Business Parks assets (FY06 – FY25).
- Reduce carbon intensity in our Retail Town Centre portfolio by 10 per cent, and in our Workplace portfolio by five per cent, by FY20 (FY17 baseline).
- Achieve an average NABERS Energy rating of 4.5 stars for our Retail Town Centre portfolio, and 5 stars for our Workplace portfolio.
- Install a further 12 MW of solar photovoltaic capacity across eleven retail town centres by the end of FY19.
- Continue to install electric vehicle chargers across our Retail Town Centre portfolio.

Communities

Residential

- Exceed relevant minimum energy related compliance standards by 10 per cent within our residential communities.
- Develop an alternative energy infrastructure strategy to help drive appropriate delivery of renewable infrastructure in our residential developments.
- Deliver solar and battery packages to 72 homes within our Highlands (Vic) project in partnership with a large industry supplier, and monitor the performance of these homes to understand how solar and battery can be more efficiently delivered and used by home owners.

Retirement Living

- Achieve net zero carbon by 2030 for our Retirement Living portfolio based on the World Green Building Council "Net Zero Carbon Buildings Commitment".
- Exceed relevant minimum energy related compliance standards by 10 per cent in all new developments.
- Continue to roll-out solar installations to meet or exceed our target of 5 installations across clubhouses and community centres in our retirement living communities by FY20.
- Implement an operational efficiency review at three of our most energy intensive operational villages.
- Implement key recommendations from our pilot sub-metering and monitoring program and share lessons learned.

FY18 performance and case studies

Total greenhouse gas (GHG) emissions

We reduced our Scope 1 emissions in FY18, primarily due to decreases in our Communities business construction and delivery emissions. We also reduced our Scope 2 emissions, largely due to reduced gross energy consumption at Commercial Property assets and an improvement in Communities energy data acquisition.

The table below outlines our Scope 1, 2 and 3 emissions over the last five years. For a detailed breakdown of our Scope 1, 2 and 3 emissions please refer to our Environmental Data Pack.

SCOPE 1, 2 AND 3 EMISSIONS (tCO$_2$-e)

|	FY18	FY17	FY16	FY15	FY14
Scope 1[3]	25,453	26,884	35,036	26,368	22,102
Scope 2[4]	82,591	87,860	89,881	97,763	99,927
Total Scope 1+2 emissions	**108,044**	**114,743**	**124,917**	**124,131**	**122,029**
Scope 3[5]	33,866	31,115	39,628[6]	21,002	23,556

Total Scope 1 emissions by business unit

The chart below outlines the percentage allocation of our Scope 1 emissions by business units. Communities constitutes the largest proportion of our Scope 1 emissions due to contractor construction activity during development.

Examples of Communities construction projects in FY18 include Elara (NSW), Newport (Qld), Foreshore (Qld) and Sienna Wood (WA).
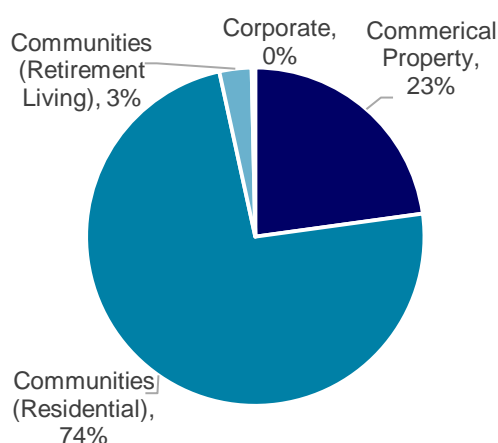
Total Scope 2 emissions by business unit

Commercial Property constitutes our largest proportion of Scope 2 emissions and remains the focus of our strategic energy efficiency initiatives.
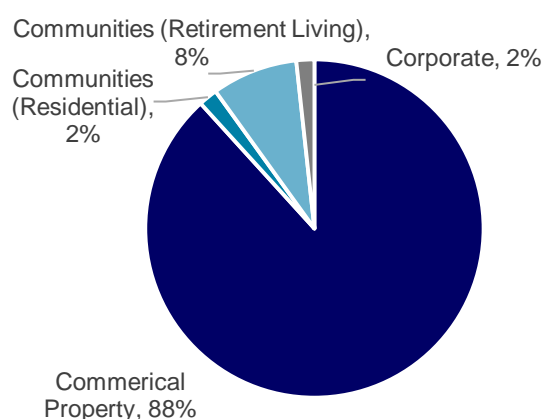
Commercial Property

NABERS ratings

Following the NABERS ratings undertaken in FY18 on our Retail Town Centre portfolio, the area weighted portfolio average for NABERS Energy has improved to 4.15 stars (3.98 stars in FY17). Nine assets out of 25 achieved an improved energy rating in FY18, and four assets achieved a lower rating.

In our Workplace and Business Parks portfolio for 2017, the area weighted portfolio average has reduced to 4.52 stars (4.61 stars in FY17) for our Workplace portfolio and reduced to 4.22 stars (4.42 stars in FY17) for our Business Parks portfolio. The combined portfolio average for Workplace and Business Parks is 4.35 stars which is a reduction on the FY17 result of 4.74 stars. From 20 assets rated, two achieved a higher energy rating in FY18 while three achieved a lower rating. We expect this portfolio rating to increase toward our FY20 target with increased occupancy and installation of additional sub-metering.

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[3] Scope 1 emissions are direct emissions, i.e. emissions from fuels that are combusted on site (including natural gas, diesel and petrol from fleet) as well as refrigerant leakage. This includes direct emissions reported by contractors where we have operational control (typically residential community projects).
[4] Scope 2 emissions are indirect emissions from the consumption of electricity only. This includes indirect emissions reported by contractors where we have operational control (typically residential community projects) and emissions from base building electricity across the Workplace and Business Parks, Retail Town Centre, Logistics, Residential and Retirement Living assets for which we have operational control.
[5] Scope 3 emissions are other indirect emissions, including hire cars, rental vehicles and airline travel, transmission and production losses from purchased electricity, gas and fleet fuel and operational waste from our Commercial Property portfolio.
[6] From FY16 we expanded our boundary to include Scope 3 emissions from waste generated at our Commercial Property assets.

More information on our NABERS ratings across our portfolio is provided in the Asset Rating and Certification Deep Dive and Environmental Data Pack.

CASE STUDY
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."

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.

Once complete, Tesla owners will enjoy the convenience of charging locations at our retail town centres from Cairns to Melbourne.

The 43 Tesla Destination Chargers rolled out to date in 23 locations complements our 24 free ChargePoint facilities in 13 locations throughout Australia, which have been used more than 3,600 times by customers since 2015.

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

Energy efficiency

We have actively invested in energy efficiency improvements across our commercial property developments and operations since we set our first energy and emissions targets in FY09. Energy is an important operational expenditure item for our business and as a result we have adopted an active management approach to deliver strong financial returns whilst reducing our carbon footprint.

Our energy efficiency investments made in FY18 are projected to generate energy savings of approximately 2,000,000 kWh annually. These investments include the installation of a heating, ventilation and air conditioning (HVAC) chiller optimisation unit at Stockland Balgowlah (NSW) to reduce electricity consumption by better managing chiller demand and load. This upgrade is projected to save approximately 150,000 kWh per annum which equates to approximately eight per cent of the total base building annual consumption. We also approved a building management system (BMS) upgrade at Stockland Nowra (NSW) which will improve the control strategy of the air conditioning system so it operates efficiently without compromising on thermal comfort

We continued our LED lighting upgrades across our retail town centres, with upgrades at Stockland Merrylands (NSW), Stockland Bathurst (NSW), Stockland Baulkham Hills (NSW), Stockland Point Cook (Vic) and Stockland Rockhampton (Qld). The upgrades are expected to achieve approximately 1,700,000 kWh electricity savings annually.

We continue to realise energy efficiency opportunities through our sub-metering systems and have installed additional metering at our retail town centres at Stockland Green Hills (NSW) and Stockland Wendouree (Vic) in FY18.

Renewable energy

At 30 June 2018 we have installed 4.36 MW of solar PV capacity across five of our shopping centres, including our largest installation of 1.85 MW at Stockland Green Hills (NSW) and our most recent 250 kW installation at Stockland Caloundra (Qld).

We are in the middle of a national solar installation project that will result in an additional 12 MW of solar PV capacity installed across an additional eleven retail town centres by the end of FY19. The installations will bring the total investment in

renewable energy to over $30 million providing a total of 16.36 MW of generating capacity and producing an estimated 20,000,000 kWh of renewable energy annually.

The table below illustrates our solar generation over the past five years, and estimated capacity at end of FY19.

RENEWABLE ENERGY GENERATED USING SOLAR POWER

	FY18	FY17	FY16	FY15	FY14	FY19 CAPACITY
Energy generated using solar PV (kWh)	3,274,463	2,387,168	1,940,689	292,124	175,374	
Per cent of Retail Town Centre portfolio electricity usage	5.1	3.6	2.8	0.4	0.3	
Total solar PV capacity at end of reporting period (MW)	4.36	2.26	1.36	1.36	0.05	16.36

CASE STUDY
Our industry-leading solar rollout

We are continuously improving how we source and use energy throughout our assets. A large focus in FY18 has been the rollout of 6.4 hectares of solar panels across ten of our retail town centres; the largest rooftop solar project ever undertaken by a landlord in Australia. Early in FY18 we announced the $23.5 million investment, which involves the installation of more than 39,000 photovoltaic (PV) panels across the roof space on retail town centres including Stockland Merrylands (NSW), Stockland Burleigh Heads (Qld), Stockland Point Cook (Vic) and Stockland Wendouree (Vic).

With the project expected to generate 17.2 GWh of additional renewable energy every year, it will account for 20 to 25 per cent of retailers' baseload and usage, excluding supermarkets and department stores. Near the conclusion of FY18, we added another three sites to the rollout, which brings our total investment in solar to around $30 million. Once complete, the investment will increase our combined retail town centre solar generation capacity to 16.36 MW over 16 sites generating an estimated 20,000,000 kWh per annum.

Mark Steinert, Managing Director and CEO, said, "Investing in technology like solar energy is not only environmentally sustainable, it also makes good business sense. Our forecast average yield over a 10 year period is 11.6 per cent on capital invested, generating strong shared value for both our investors and our communities."

The project reaffirms our position as a global leader in sustainability, and provides potential for future participation in the national energy market. It also brings us closer to our target of a 60 per cent carbon intensity reduction for our Retail Town Centre, Workplace and Business Parks assets over the FY06 – FY25 period.

Solar panels now extend across the roof of Stockland Merrylands (NSW), scheduled for commissioning in early FY19.

Performance against emissions reduction targets

We track our greenhouse gas emissions on a per square metre intensity basis as a means to understand our energy impacts while taking divestments and investments into account. Our greenhouse gas emissions intensity has been steadily decreasing across all commercial property asset classes and we will continue to monitor and invest in technology to assist us in achieving our FY20 target (10 per cent intensity reduction in Retail Town Centres, five per cent reduction in Workplace and Business Parks, from FY17 baseline).

The table below outlines our greenhouse gas emissions intensity data since FY14.

COMMERCIAL PROPERTY GREENHOUSE GAS EMISSIONS INTENSITY (kg CO_2-e/m^2)

	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks	60.41	61.70	64.98	67.32	67.55
Retail Town Centres	49.54	52.92	56.58	58.32	59.34
Commercial Property	**52.00**	**54.93**	**58.55**	**60.66**	**61.52**

In FY18 we reduced our Retail Town Centre portfolio emissions intensity by six per cent compared with FY17, and reduced our Workplace and Business Parks emissions intensity by two per cent compared with FY17. These decreases are attributable to continued energy monitoring and capital investments in efficiency initiatives such as LED Lighting, heating, ventilation, and air conditioning optimisations and solar PV.

The table below outlines our Commercial Property year-on-year emissions intensity reductions over the last five years.

COMMERCIAL PROPERTY ANNUAL CHANGES IN EMISSIONS INTENSITY

	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks	-2%	-5%	-4%	0%	-6%
Retail Town Centres	-6%	-6%	-3%	-2%	-4%
Commercial Property	**-5%**	**-6%**	**-4%**	**-1%**	**-5%**

We have set emissions reduction targets every three years in support of our overarching target to reduce emissions intensity by 60 per cent across our Commercial Property portfolio by FY25 (using FY06 baseline). The chart below indicates progress toward our FY25 target.

PROGRESS TOWARD OUR FY25 EMISSIONS INTENSITY TARGET (kg CO_2-e/m^2)

FY25 TARGET	43.6
FY18	52.0
FY17	54.9
FY16	58.6
FY15	60.7
FY14	61.6
FY06	109.0
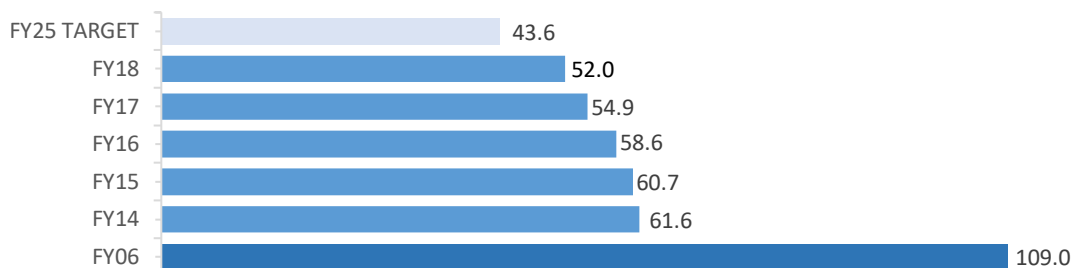
Communities

Residential

The energy targets set for our Residential portfolio (set in FY17) focus on energy and emissions efficiency of residential product that we build (as opposed to also encompassing product built by third party builders on land that we sell). These targets aim to deliver a 10 per cent improvement by FY20 on existing energy and carbon compliance benchmarks established by regulation within the states where we operate, and apply to our built form product.

During the year we modelled and analysed the performance of our built form product to understand what initiatives deliver on our compliance requirements, and what we would need to include to achieve our 10 per cent improvement target. We piloted the modelling and analysis methodology on three projects during the year. At Brightwater (Qld) we achieved a 35 per cent improvement over Queensland compliance requirements, largely attributable to the installation of LED lighting and electric-boosted hot water. At Arve (Vic) we achieved a 39 per cent improvement over Victorian compliance requirements, largely attributable to inclusion of gas boosted solar hot water, LED lighting, gas cook tops, and a proportion of homes designed to high thermal comfort standards (7 star NatHERS or greater). At Altrove (NSW) we achieved a 9.5 per cent improvement over New South Wales compliance requirements, largely attributable to the installation of solar photovoltaics and solar hot water on a selection of homes. Our results in New South Wales tend to be lower because there is a higher standard for energy efficiency within compliance requirements and so less opportunity for us to exceed these requirements.

We will begin to include these initiatives in our projects being designed from this year onward. Some examples of broader energy and carbon reduction initiatives delivered within our Residential portfolio during FY18 are:

- installation of LED street lighting across projects including Birtinya (Qld), Aura (Qld) and Bokarina Beach (Qld)
- delivery of a new sales office at North Shore (Qld), which is a four-bedroom house designed to achieve a NatHERS thermal comfort rating of 9.3 out of 10 and equipped with solar photovoltaics and battery storage
- installation of solar powered car park lighting outside of our Altrove (NSW) sales office, pedestrian access way to the train station and in the link park, equipped with motion sensors to save energy use during periods of low activity
- expansion of our cool roof policy in force at Bells Reach (Qld) to Promenade (Qld) and to all Sunshine Coast projects
- construction of a solar-powered public toilet block in community open space at Whiteman Edge (WA).

Retirement Living

Our energy sub-metering and monitoring pilot at Tarneit Skies (Vic) and The Willows (NSW) has continued to identify a number of opportunities to improve the operational performance of the villages, such as:

- use of motion sensors to enhance lighting efficiency
- seasonal recommendations to adjust HVAC settings for more efficient operation year-round
- reviewing pool operations and gas heating.

We have targeted a five per cent energy efficiency improvement for the FY18 to FY20 target period for those villages included in the sub-metering pilot (against June 2016 baseline). For FY18, Tarneit Skies (Vic) achieved an 4.9 per cent decrease in energy consumption, whereas The Willows experienced a 0.05 per cent increase in energy consumption. Our Sustainability Team continues to work closely with the National Operations and Village Management Teams to implement the recommendations and identify quick wins that can be scaled across the portfolio.

We currently have solar installations across 22 clubhouses and community centres across our Retirement Living portfolio. At Fig Tree Retirement Village (Qld), solar PV infrastructure was installed on its Town Hall building in November 2017 and is expected to save the village $3,500 per year in electricity costs. The solar PV panels generate 89 per cent of the Town Hall's energy requirements and provides renewable energy to individual residents' homes through the village embedded network during periods of inactivity in the common areas. The setup has also allowed for a new electric pool heater to be installed so that the village pool may be used all year round.

We completed an extensive refurbishment of the existing clubhouse at Patterson Lakes (Vic) including several initiatives that reduce the building's carbon footprint, such as:

- capturing more natural light
- airlock to main foyer
- upgraded ceiling insulation
- energy efficient lighting, heating and ventilation
- double glazed UV resistant windows
- water saving tapware and plumbing
- energy efficient refrigeration and other commercial equipment.

We continue to explore opportunities to integrate energy efficiency and renewable energy solutions into future refurbishments and upgrades. We also continued our informal resident sustainability awareness sessions at a number of villages including Golden Ponds (NSW) and Wamberal Gardens (NSW).

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Climate Resilience

FY18

Why this is important to Stockland

Climate change presents risks and opportunities for our business, and we are committed to identifying, assessing, and managing these risks and opportunities to support the resilience of our business, assets, and communities. Climate-related risks and opportunities can be divided into two categories: risks or opportunities associated with the transition to a low-carbon economy (transition risks) and risks or opportunities associated with physical impacts from changes to climatic conditions, including extreme events (physical risks).

With regard to transition risk, we acknowledge that Australia and nearly 200 other nations have agreed to the objective of limiting global warming to below 2°C (the Paris Agreement[1]). Pursuing this objective implies a general movement away from fossil fuel energy and increased deployment of low/zero carbon energy sources and energy-efficient technology. While changes associated with the transition to a low-carbon economy present risks across most industries, they also create substantial opportunities for organisations focused on climate change mitigation and adaptation solutions. Our Carbon and Energy Deep Dive reports on how we leverage these opportunities through our focus on energy efficiency and renewable energy.

With regard to physical risk, we are already experiencing physical impacts of climate change in the form of gradual changes to climate variables and an increased frequency and severity of extreme weather events. Extreme weather and other climate change related events have the potential to damage our assets, disrupt operations and impact the health and wellbeing of our customers and communities. For the benefit of our stakeholders, and society more broadly, we are committed to creating climate resilient assets that operate with minimal disruption, as well as building strong communities that are equipped to adapt to climate change risks and opportunities.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[2] The material in this Deep Dive is supported by a wider collection of performance metrics contained in our Environmental Data Pack.

This Deep Dive is to be read in conjunction with our published approach to climate resilience, available as part of our sustainability reporting suite at Our Management Approach to Climate Resilience.

Our key achievements

- Completed 10 climate and community resilience assessments in our Retirement Living and Residential portfolios.
- Completed five climate resilience assessments and four community resilience assessments across our Commercial Property portfolio.
- Completed climate scenario analysis including scenarios limiting global warming to below 2°C to enhance our understanding of risks and opportunities associated with the transition to a low carbon economy, which complements our existing scenario analysis focused on physical risk.

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[1] The Paris Agreement's central aim is to strengthen the global response to the threat of climate change by keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius (http://bigpicture.unfccc.int/#content-the-paris-agreemen).
[2] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/).

In this document you will find:

FY18 priorities and progress

Commercial Property

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Conduct national mapping exercise of all Commercial Property assets (including Retail Town Centres, Workplace and Logistics) to determine climate change vulnerability and exposure	Achieved	We completed a national mapping exercise for our Commercial Property assets, including Retail Town Centres, Workplace and Logistics to update the climate change projections used in our resilience assessments.
Undertake climate and community resilience assessments in two new locations during FY18	Achieved	Focusing on priority areas identified in our FY18 review (above), we completed climate resilience assessments at 601 Pacific Highway (NSW), Triniti Business Campus (NSW) and 32 Toll Drive Altona (Vic). We completed community resilience assessments at Stockland Townsville (Qld), Stockland Nowra (NSW), Stockland Traralgon (Vic) and Stockland Bundaberg (Qld).

Communities

Residential

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Complete a climate resilience assessment for all new active Residential projects in priority locations	Achieved	We completed climate resilience assessments at all residential projects commencing masterplanning in FY18, as well as projects in priority high risk locations, including Kalina (Qld), Paradise Waters (Qld), Mount Atkinson (Vic), Altona North (Vic), Minta Farm (Vic), Edgebrook (Vic), Braybrook (Vic).
Continue to rollout delivery of Resident Emergency Checklists to new projects	Achieved	Resident emergency checklists have been developed for all projects for which climate adaptation plans have been prepared (listed above) as well as Cloverton (Vic), Willowdale (NSW) and Waterlea (Vic).

Retirement Living

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Undertake climate and community resilience assessments in three locations during FY18	Achieved	We completed climate and community resilience assessments at Bellevue Gardens (NSW), Golden Ponds (NSW) and Wamberal Gardens (NSW).
Develop best practice guidelines to be implemented across the Retirement Living portfolio, particularly villages in low to medium climate risk locations	In progress	Best practice guidelines are currently in development and will be finalised in FY19.

Future priorities

Commercial Property

- Complete climate resilience assessments in operational assets in priority locations across our portfolio, including our retail town centres at Stockland Cleveland (Qld), Burleigh Heads (Qld), and Caloundra (Qld), and Shellharbour (NSW) and our Logistics assets at Yennora (NSW), Hendra (Qld), and Port Adelaide (SA).
- Continue to undertake climate adaptation and resilience assessments in future development projects including Whiteman Edge (WA).

Communities

Residential

- Undertake a formal review of resilience assessment framework approach against industry best practice.
- Complete climate resilience assessments on new communities in priority locations that commence masterplanning during FY19.

Retirement Living

- Implement the resilience best practice guidelines across five low-medium priority villages which have not had a formal climate and community resilience assessment completed.
- Undertake a formal review of resilience assessment framework approach against industry best practice.
- Complete two assessments in medium priority locations as determined through the national mapping review.

FY18 performance and case studies

Over the past year, we evolved our approach to climate risk disclosure by aligning it with the recommendations of the Task Force on Climate-related Financial Disclosures (Task Force). We lodged "Stockland's Climate-related Financial Disclosures" on the Australian Securities Exchange (ASX) in February 2018 as part of our half-year reporting suite, making us the first Australian property company to disclose its climate risks and opportunities to the ASX with our financial filings in accordance with the Task Force recommendations. We integrated our climate-related financial disclosures into our FY18 Annual Report, acknowledging the importance of climate-related risk management for our long-term performance as a business.

Physical risk

Commercial Property

Climate resilience in operations

We reviewed our Commercial Property assets to identify exposure to physical risk using updated RCP 8.5 projections from the IPCC (refer to Our Management Approach to Climate Resilience for more information on our use of IPCC RCP scenarios). Our review was used to inform climate resilience assessments undertaken on two of our Workplace and Business Parks assets in Sydney (601 Pacific Highway and Triniti Business Campus) and one Logistics asset in Melbourne (32 Toll Drive). We developed action plans for each location using the new climate scenarios to assist in understanding the future impacts of climate change and the most appropriate responses to implement to improve resilience over time.

Our review also informed desktop assessments on two previously assessed retail town centres at Stockland Townsville (Qld) and Stockland Nowra (NSW), to update the resilience assessment using the new climate projections. At Stockland Townsville there was a slight decrease in vulnerability due to the implementation of initiatives to improve resilience. At Stockland Nowra there was a minor increase in vulnerability due to updated hazard mapping and changes to the assessment criteria through revisions over time. While the results do not impact the resilience action planning at these assets, we will continue to review climate science and assessment criteria to monitor any further changes to the resilience of these assets and our portfolio more broadly.

Climate resilience in developments

At our active Retail Town Centre developments we completed climate resilience assessments at Elara (NSW), Birtinya (Qld) and Baringa (Qld). The assessments inform design in new constructions so that our new projects are not being delivered with inherent vulnerabilities to future climate impacts.

Community resilience

We completed community resilience assessments at four of our retail town centres and the surrounding community, including Stockland Townsville (Qld), Stockland Bundaberg (Qld), Stockland Nowra (NSW), and Stockland Traralgon (Vic). The purpose of the assessments was to understand underlying issues in communities around social cohesion, economic viability and connectivity and to identify opportunities to contribute further to community resilience through our community development planning process. Examples of themes identified in our FY18 assessments include low education levels, unemployment, disability and obesity. The insights and learnings from the assessments undertaken are communicated to the business and centre teams are encouraged to focus community development initiatives on community needs in alignment with our key focus areas of education, health and wellbeing and community connection (see Our Management Approach to Community Investment and Development and our Community Deep Dive).

Research collaborations for resilience

We remain involved in the Microclimate and Urban Heat Island Mitigation Decision Support Tool Project, part of the Collaborative Research Centre for Low Carbon Living. In FY18, we assisted the project by providing access to three of our retail town centres (Stockland Nowra (NSW), Stockland Shellharbour (NSW) and Stockland Wetherill Park (NSW)) and one of our residential communities (Willowdale) for scenario analysis and to set up monitoring stations to collect climate data. The data collected will be used to characterise the microclimate of selected regions to study urban heat mitigation strategies that support planning decisions and drive increased utilisation of cool roofs on large footprint buildings.

Industry engagement

We are regularly invited to present at industry forums, conferences and master classes and to participate in task groups and workshops to share our climate resilience expertise and to help shape an industry approach to resilience. In FY18 we presented our work on resilience at several industry forums including Green Building Day, Air Conditioning, Refrigeration and Building Services (ARBS) Exhibition, Green Star Resilience Master Class, Western Sydney Turn Down the Heat Forum, Cooling Cities National Forum, Investor Group on Climate Change Investing in Resilience Workshop, and the Property Council of Australia (PCA)/Facility Management Association (FMA) Defining Resilience Forum.

Communities

Residential

In FY18, we assessed the climate resilience of seven residential communities, including Kalina (Qld), Paradise Waters (Qld), Mount Atkinson (Vic), Altona North (Vic), Minta Farm (Vic**)**, Edgebrook (Vic), and Braybrook (Vic). These communities were prioritised for assessment because they were either mapped in priority locations or are new projects. Typical climate related impacts on residential communities arise from potential for bushfire or reduced access resulting from flooding, changes in extreme heat conditions, and intense rainfall events.

We prepared online resident emergency checklists for our residential community at Cloverton (Vic), We have also prepared resident emergency checklists for Kalina (Qld), Paradise Waters (Qld), Mount Atkinson (Vic), Altona North (Vic), Minta Farm (Vic), Edgebrook (Vic), and Braybrook (Vic). The checklists respond to the outcomes of resilience assessment undertaken at each community, and provide residents with a guide in the event of extreme weather or fire events. The checklist uses the four phases of emergency management – prevention, preparedness, response, and recovery – to structure actions that enable community self-reliance in the event of an emergency.

We applied our first cool roof covenant to homes in our Bells Reach (Qld) project in 2012. We have since continued to apply these covenants at Aura (Qld) on the Sunshine Coast and North Shore (Qld) in Townsville. We have found that the benefits of cool roofs, including improved thermal performance, reduced heating and cooling costs, and reduced urban heat island effect come at no additional cost to build. Further, since applying the initiative we have worked with suppliers to increase the variety of "cool roof" options available to the market. We have now standardised cool roofs with a maximum of 50 per cent solar absorbency as a covenant requirement across our new Sunshine Coast projects.

We are also working to embed climate and community resilience assessments into our project lifecycle process for Communities developments (D-Life) and will continue to formalise the process in FY19.

Retirement Living

We regularly update our national mapping schedule to identify those individual villages and developments that have the greatest exposure to climate extremes including heat waves, drought, flooding, storms, cyclones, coastal inundation and bushfires. This approach allows us to prioritise those villages over a staged program to conduct detailed climate and community resilience assessments. One of the key challenges facing all of our villages is the frequency and intensity of extreme heat events, which increase energy demand for cooling and the need for areas of respite for residents.

In FY18, we prioritised three operational retirement living villages for climate resilience assessments based on their climate risk exposure, including Bellevue Gardens (NSW), Golden Ponds (NSW) and Wamberal Gardens (NSW). As part of the ongoing development of our approach to community resilience, these three considered the sensitivity and adaptive capacity of village residents in determining community resilience actions to be included in the action plans for each village.

We undertook a series of resilience assessment debriefs at several retirement living villages, including Birtinya (Qld), Pine Lake (Qld), Cardinal Freeman (NSW), Willowdale (NSW), Calleya Aspire (WA), The Village Swansea (NSW), Oak Grange (Vic), Farrington Grove (Qld), and The Pines (Vic). These debriefs focused on embedding identified opportunities to improve the resilience of the existing operational villages and the future village developments.

Transition risk

The global transition to a low carbon economy as envisioned by the Paris Agreement and the Task Force presents risks and opportunities for our business. Carbon emission regulation, for example, may impact the pricing of energy required to develop and operate our assets. Our Carbon and Energy Deep Dive presents progress in our energy efficiency and renewable energy activities, in which we continue to invest to seize transition opportunities and minimise transition risks.

Earlier this year, we enhanced our approach to climate-related transition risk management by incorporating 2°C scenarios[3] into our corporate climate scenario analysis framework. Our 2°C scenario analysis confirmed that our existing commitments to energy efficiency and renewable energy are appropriate for leveraging low carbon opportunities. It also raised the profile of risks associated with land development regulation and climate risk disclosure. More information on our 2°C scenario analysis is provided in the case study on the next page.

We continue to collaborate with our peers to understand how the property industry can manage the risks and leverage the opportunities presented by a transition to a low carbon economy. Following on from the 2016 publication of *Low Carbon, High Performance[4]* by the Australian Sustainable Built Environment Council (ASBEC), we worked with ASBEC on *Built to Perform: An industry led pathway to a zero carbon ready building code*. *Built to Perform* shows how stronger energy standards for new buildings in the National Construction Code could reduce energy bills and deliver emissions savings.

We also worked with the Green Building Council of Australia as a strategic supporter of its *Carbon Positive Roadmap for the built environment*. The roadmap establishes the steps required for commercial, institutional and government buildings and fitouts to decarbonise and contribute to global climate targets.

[3] A 2°C scenario lays out a pathway and an emissions trajectory consistent with limiting the average global temperature increase to a temperature range around 2°C.
[4] The full report title is *Low Carbon, High Performance: How buildings can make a major contribution to Australia's emissions and productivity goals* by ASBEC (www.asbec.asn.au).

CASE STUDY
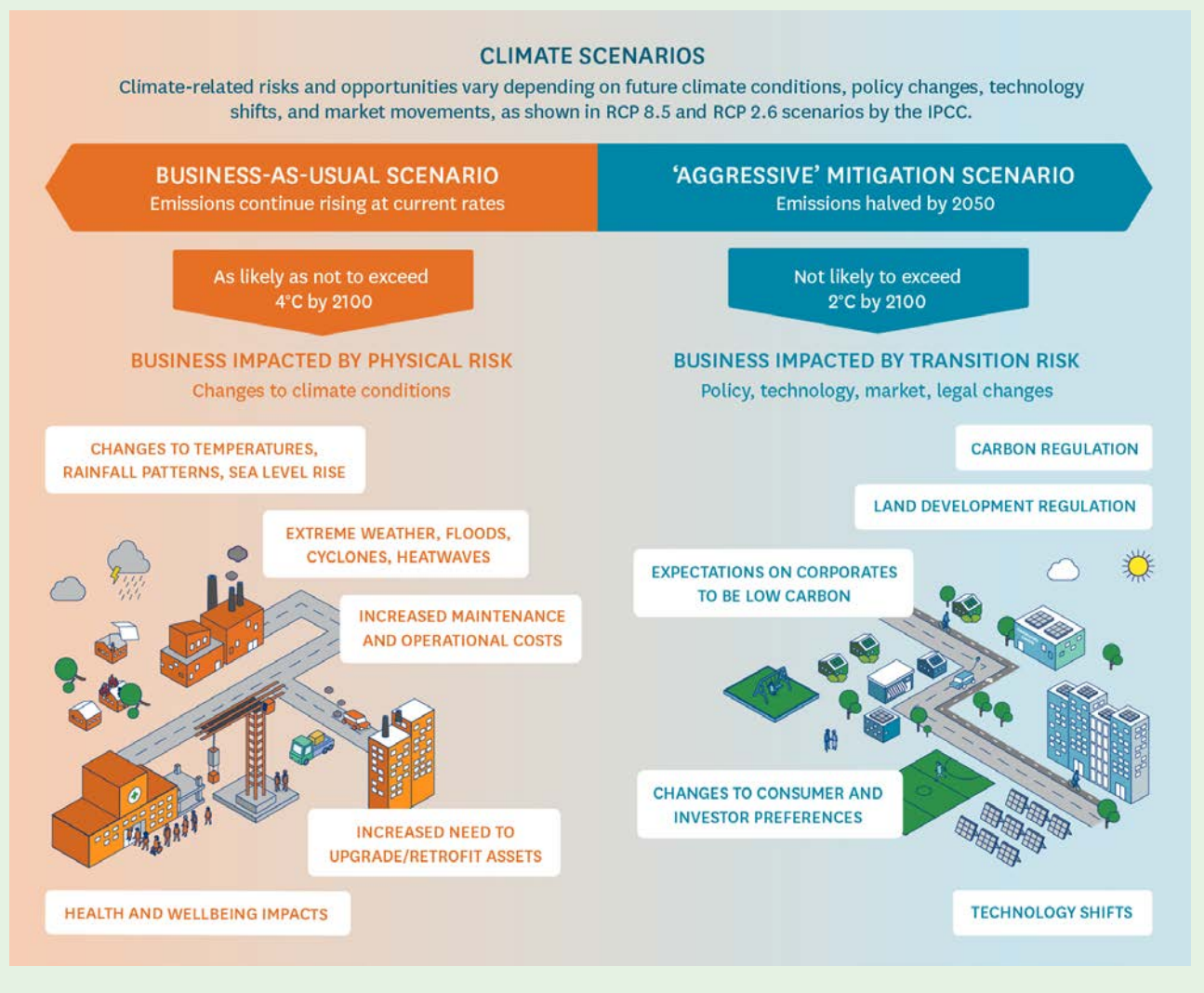## What does net zero emissions by 2050 look like for Stockland?

We completed a scenario analysis to understand risks and opportunities presented by a low carbon future, leveraging 2°C scenarios from both the Intergovernmental Panel on Climate Change (RCP2.6[5]) and the Australian contribution to the Deep Decarbonization Pathways Project.[6] Our scenario analysis using 2°C scenarios builds upon our existing scenario analysis that we have used for several years to understand the distribution of physical risks across our portfolio.[7] The analysis involved many teams within our business, such as Development, Project Management, Asset Operations, Group Risk, Group Sustainability, Group Legal, and Stakeholder Relations.

The scenario analysis incorporated the key assumption that Australia would be carbon neutral by 2050 as a means of contributing to the global objective of limiting warming to 2°C compared to a pre-industrial baseline. The analysis included changes to energy networks, climate policy, customer preferences, and investment flows that would plausibly lead to carbon neutrality by 2050.

Our analysis confirmed the importance of policy and legal issues such as carbon pricing and climate risk disclosure, technological issues such as automation and electrification, market issues such as customer and investor preferences for low-carbon solutions, and reputational issues such as the willingness for governments or employees to work with us if we are seen as a climate laggard. Our industry-leading investment in renewable energy and our continued dedication to energy efficiency position us well to take advantage of opportunities associated with the transition to a low carbon economy.

We have integrated the outcomes of our scenario analysis into our corporate risk register and will continue to use the approach to understand how to remain a climate leader into the future.

CLIMATE SCENARIOS

Climate-related risks and opportunities vary depending on future climate conditions, policy changes, technology shifts, and market movements, as shown in RCP 8.5 and RCP 2.6 scenarios by the IPCC.

BUSINESS-AS-USUAL SCENARIO
Emissions continue rising at current rates

'AGGRESSIVE' MITIGATION SCENARIO
Emissions halved by 2050

As likely as not to exceed 4°C by 2100

Not likely to exceed 2°C by 2100

BUSINESS IMPACTED BY PHYSICAL RISK
Changes to climate conditions

BUSINESS IMPACTED BY TRANSITION RISK
Policy, technology, market, legal changes

CHANGES TO TEMPERATURES, RAINFALL PATTERNS, SEA LEVEL RISE

EXTREME WEATHER, FLOODS, CYCLONES, HEATWAVES

INCREASED MAINTENANCE AND OPERATIONAL COSTS

INCREASED NEED TO UPGRADE/RETROFIT ASSETS

HEALTH AND WELLBEING IMPACTS

CARBON REGULATION

LAND DEVELOPMENT REGULATION

EXPECTATIONS ON CORPORATES TO BE LOW CARBON

CHANGES TO CONSUMER AND INVESTOR PREFERENCES

TECHNOLOGY SHIFTS

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[5] RCP 2.6 is one of four Representative Concentration Pathways published by the Intergovernmental Panel on Climate Change, and is the only RCP likely to limit warming to below 2°C.

[6] The Deep Decarbonization Pathways Project (DDPP) is a global collaboration of scientific research teams that have developed country-specific pathways to reduce emissions consistent with the 2°C objective. The DDPP publication relevant to Australia is ClimateWorks Australia (2014) *Pathways to Deep Decarbonisation: How Australia Can Prosper in a Low Carbon World.*

[7] In previous scenario analysis we have undertaken, we have used the Intergovernmental Panel on Climate Change RCP8.5 scenario, which assumed minimal effort to reduce emissions and thus results in a global temperature increase of 3.2-5.4°C by 2100. We have used RCP8.5 to understand our exposure to physical risk, as the scenario results in stronger impacts from extreme weather and other climate effects.

Community

FY18

Why this is important to Stockland

As one of Australia's largest diversified property groups, we are well placed to have a positive and lasting impact on the communities in which we operate. We believe there is a better way to live and our goal is to create and shape communities that thrive now and into the future. We seek to achieve this goal at our retail town centres, workplaces and business parks and in the residential and retirement living communities we create by focusing on health and wellbeing, community connection, and education. We focus on these three social impact areas because our proprietary customer and industry research tells us these are the areas that matter when our customers are deciding where to live, play and shop.

Our contribution to our chosen community focus areas is coordinated through a combination of the following activities:

- **community investment** – our employee volunteering and giving programs
- **community development** – projects and initiatives that enhance the communities at our assets
- The **Stockland CARE Foundation** – our charitable trust which delivers infrastructure, programs and initiatives to Australian communities.

This Community Deep Dive is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] The material in this Community Deep Dive is supported by a wider collection of performance metrics contained in our Community Data Pack.

This Community Deep Dive is to be read in conjunction with our published approach to community investment and development, available as part of our sustainability reporting suite at Our Management Approach to Community Investment and Development.

Our key achievements

- Contributed over $7.7 million to our communities across Australia.
- Delivered 782 community development initiatives through strong partnerships with organisations like Jamie's Ministry of Food, Bowls Australia, and National Theatre for Children, as well as Stockland CARE Foundation partners Touched by Olivia and Redkite.
- Exceeded our targets for resident satisfaction and personal wellbeing across our residential communities.
- Worked in collaboration with Destination NSW, Vivid Sydney, Cushman & Wakefield and other corporates as a light contributor for the first inclusive playspace at the Vivid Sydney festival called 'Tumbalong Lights'.
- Continued our commitment to inclusivity by building six new inclusive playspaces, three new quiet rooms and two adult change facilities.
- Celebrated the conclusion of the Green Hills Connectivity Centre, which placed more than 180 individuals into local construction and retail jobs as part of from the $414 million Green Hills redevelopment. We also helped place 45 people into employment as part of the Retail Ready program.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

- Completed a Social Return on Investment for our Retirement Living portfolio, which determined that for every $1 that Stockland invests in its Retirement Living portfolio, it creates $1.66 in social value.
- Raised over $245,000 from employees, customers and suppliers during our third annual CARE Foundation fundraiser, 'Foundation Fortnight' for our Foundation partners Redkite and Touched by Olivia with events across 72 of our assets.

FY18 priorities and progress

Community Investment and Stockland CARE Foundation

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Progress towards a volunteering rate of 50 per cent by FY20, with a focus on nurturing skilled volunteering.	In progress	Our volunteering rate for FY18 was 31 per cent (up from 29 per cent in FY17).
Achieve greater than 90 per cent employee awareness of Foundation partners by FY20.	Achieved	FY18 employee survey results show that employee awareness of the Stockland CARE Foundation's partners is at 100 per cent.
Maintain participation in Foundation Fortnight at over 40 assets in FY18.	Achieved	Foundation Fortnight activities were held at a total of 72 Stockland assets, including: • 33 retail town centres • 14 retirement villages as Grandparents Day (Family Day) events, attracting 1570 residents (nearly twice as many as the previous year) • 24 residential communities, including a large-scale Residential event held in Western Australia including suppliers/contractors.
Encourage workplace giving contributions from 25 per cent of employees by FY20.	Achieved	Workplace giving contributions were made by 32 per cent of employees in FY18.

Community Development

Commercial Property

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Participants of health and wellbeing programs to have a wellbeing score above the Personal Wellbeing Index (PWI) national average (as developed by Deakin University) by the end of FY20.	In progress	We did not measure PWI in FY18. Participants of Heart Foundation Walking Groups in our centres achieved a PWI score of 77 in FY17, and we expect to measure PWI again in FY19.
Conduct community resilience assessments in at least two trade areas.	Achieved	We conducted community resilience assessments at Stockland Traralgon (Vic), Stockland Bundaberg (Qld), Stockland Nowra (NSW) and Stockland Townsville (Qld) retail town centres. See the Climate Resilience Deep Dive for more information.
Undertake two retail town centre accessibility audits in FY18 to develop a benchmarking scorecard.	Achieved	We completed accessibility audits at Stockland Bathurst (NSW) and Merrylands (NSW) retail town centres and developed an accessibility scorecard to be used in future audits. See the Human Rights Deep Dive for more information.
Include quiet room in all new Retail Town Centre developments and amenity redevelopments.	Achieved	We have included quiet rooms in all FY18 redevelopments, including Stockland Green Hills (NSW), Stockland Wendouree (Vic) and Stockland Hervey Bay (Qld).
Update our Retail Town Centre design guidelines in FY18 to incorporate provision of quiet rooms and adult change facilities.	Achieved	We upgraded our Retail Town Centre design guidelines to specify that all retail town centre developments are to include a quiet room and an adult change facility.
Expand the coverage of 'Retail Ready' training programs to train local residents and provide them with retail employment skills.	Achieved	We supported the Australian Retailers' Association to run the Retail Ready training program at nine locations close to our retail town centres, which helped place 45 people into employment.

FY18 PRIORITIES	STATUS	FY18 PROGRESS
All new playspaces to be aligned with the principles of inclusive play.	Achieved	We built five new inclusive playspaces at our retail town centres: one at Stockland Rockhampton (Qld), two at Stockland Green Hills (NSW) and two at Stockland Wendouree (Vic).
Develop a strategic program of education initiatives in schools surrounding our retail town centres.	Achieved	We have developed a register of schools in the catchments of our retail town centres and developed an education program focused on healthy eating habits and STEM. This includes a series of school programs including Jamie's Ministry of Food Learn Your Fruit and Veg and STEM school holiday programs.

Communities

Residential

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Achieve Personal Wellbeing Index above the Australian national average (as measured by our annual Liveability study) by FY22.	In progress	The average resident Personal Wellbeing score in FY18 is 77 as measured across 24 residential communities (Australian national average as of August 2017 is 74.2 – 76.8 per cent).
Achieve resident satisfaction across our residential communities of 90 per cent.	Achieved	Resident satisfaction across our residential communities in FY18 is 93 per cent. For more information see the Customer Engagement and Experience Deep Dive.
Develop a national value proposition for liveability linked to the benefits of living at our Green Star residential communities.	In progress	We have completed research and are undertaking external engagement for the development of a national value proposition and expect the campaign to be launched in FY19.
Pilot a cooking course and nutrition education program with Jamie's Ministry of Food at one of our residential communities.	Achieved	We delivered cooking courses and nutrition education programs at Willowdale (NSW) and Elara (NSW).
Pilot a walk to school program at three residential communities.	In progress	We developed an active transport plan in partnership with Victoria Walks. The program encourages active walking and was launched at Newbury Primary School at Highlands (Vic) in May 2018. There are plans to launch at Marsden Park Primary School at Elara (NSW) in October 2018.
Evolve our National Theatre for Children partnership in FY18 by providing a STEAM program in at least 15 primary schools in our residential communities.	Achieved	We expanded our National Theatre for Children partnership by providing a STEAM program in 24 primary schools within our residential communities or catchments.

Retirement Living

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Maintain the wellbeing of retirement living residents above the Personal Wellbeing Index national average (as developed by Deakin University) through FY20.	In progress	Our retirement living residents achieved an average Personal Wellbeing Score of 82 in FY17 and will track progress when we run the Residents' Voice survey in FY19.
Refresh the Social Return on Investment performed in 2012 to explore total value created for stakeholders through the Retirement Living business.	Achieved	We completed a Social Return on Investment (SROI) centred on our Retirement Living portfolio, which found that for every $1 that we invest in our Retirement Living portfolio, we create $1.66 in social value.
Expand Stockland CARE Grants program to foster and promote village community wellbeing and build resident capacity to champion.	Not achieved	We ran the standard CARE Grants program across our Retirement Living portfolio however did not expand eligibility to individual residents after confirming with internal stakeholders that the primary objective of CARE Grants is to support local community organisations.

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Continue to embed community partnership programs and activations across villages	Achieved	We have continued to embed programs and activations across our Retirement Living portfolio in partnership with community organisations, hosting cooking demonstrations with Jamie's Ministry of Food, coaching clinics with Bowls Australia, and Heart Foundation Walking Groups across our portfolio.

Future priorities

Community investment and Stockland CARE Foundation

- Progress towards a volunteering rate of 50 per cent by FY20, with a focus on skilled volunteering.
- Maintain greater than 90 per cent employee awareness of Foundation partners by FY20.
- Raise over $100,000 for our national strategic partners during our 'Foundation Fortnight' fundraiser.
- Include over 60 assets in Foundation Fortnight in FY19.

Commercial Property

- Provide disability awareness training to our retailers to enhance the shopping experience of customers with disability.
- Develop a Reconciliation Action Plan for our new Retail Town Centre developments at Birtinya and Baringa in Queensland to support local indigenous communities.
- Deliver targeted initiatives to address crime and anti-social behaviour of youth at our retail town centres.
- Conduct community resilience assessments in at least three additional trade areas to develop a better understanding of the community's needs and to identify appropriate responses.
- Participants of health and wellbeing programs to have a wellbeing score above the Personal Wellbeing Index from Deakin University national average by the end of FY20.
- Expand the coverage of 'Retail Ready' training programs to at least two more retail town centres through our relationship with the Australian Retailers Association to train local residents and provide them with retail employment skills.
- Deliver a Jamie's Ministry of Food Learn Your Fruit and Veg school holiday program in a retail town centre in FY19 to engage children on healthy eating and identify opportunities to expand across the retail portfolio.

Communities

Residential

- Achieve a liveability score of 80 per cent across our residential communities by FY19.
- Maintain a resident Personal Wellbeing Index score above the Australian National average by FY22.
- Implement one ongoing indigenous social program in FY19 (in line with our Reconciliation Action Plan), in each state where our residential communities are located.
- Roll out an active transport plan to at least four residential communities in FY19 to encourage school children to learn about the benefits of walking and take an active approach to their travel.
- Offer a 'parent connect' event with the National Theatre for Children at Cloverton (Vic), and consider expanding to other residential communities where schools have not yet been delivered.

Retirement Living

- Maintain the wellbeing of retirement living residents above the Personal Wellbeing Index national average through FY20.
- Develop a Reconciliation Action Plan for one of our new retirement living communities under development to support local indigenous communities.
- Pilot a Live Life Get Active program at one retirement living community to provide further opportunities for our residents to live healthy lifestyles.
- Continue to deliver Jamie's Ministry of Food cooking and nutrition programs across five retirement living communities to promote healthy eating and community connection.
- Continue to enhance our partnership with Bowls Australia by offering Coaching Clinics at 10 retirement living communities in FY19.
- Expand the Heart Foundation Walking Group program across another five retirement living communities.

FY18 performance and case studies

Community contribution overview

The table below provides an overview of our community contributions. In FY18, we invested over $6.9 million through our community development, community investment programs and the Stockland CARE Foundation, as verified by Corporate Citizenship[2]. A further breakdown of these contributions by category is provided in our Community Data Pack.

COMMUNITY CONTRIBUTION CATEGORY	DEFINITION	CONTRIBUTION			
		FY18	FY17	FY16	FY15
Community Development	Includes financial and in-kind contributions to national community development partners and local community organisations located in a community where we operate.	$4,734,707	$3,313,135	$4,052,189	$2,562,026
Community Investment	Includes Workplace Giving donations matched by Stockland, ad-hoc community donations made on behalf of Stockland, in-kind donations of non-financial goods (e.g. land), financial support for the delivery of volunteering opportunities for our employees, employee volunteering hours, and contributions CARE Foundation Partners Redkite and Touched by Olivia.	$1,222,587[3]	$1,869,313[4]	$5,708,666	$5,447,468
Management costs[5]	Includes costs associated with the management and delivery of Stockland's Community programs including average salaries, costs associated with the development, design and assistance of the Stockland sustainability report and training for community resources.	$982,704	$856,205	$659,973	$421,614
Total community contribution		**$6,939,998**	**$6,038,651**	**$10,420,828**	**$8,009,494**

In addition to the items outlined above, we also facilitate community contributions through our stakeholders and through the provision of space, bringing our total community contribution to $7,776,317. More detail on these community contributions is provided in the 'Community investment' section of this document.

Valuing our contribution

Over the past year, we completed a Social Return on Investment (SROI) focusing on our Retirement Living portfolio. The SROI aimed to put a financial value on the social contribution that is made by us for our Retirement Living residents, the local community and state-level government. The SROI is 1:1.66. This means that for every $1 that we invest in our Retirement Living portfolio, it creates $1.66 in social value.

In FY19 we will embed the key findings of the SROI across the business through the provision of relevant messaging and support tools to maximise the value we provide to residents and the community through each of our retirement living communities.

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[2] There is a slight variance (less than 0.1%) on this amount and the amount included in Corporate Citizenship's verification statement, which can be attributed to rounding limitations with Corporate Citizenship's system.
[3] This amount has decreased in FY18 as we included employee donations and partner and asset fundraising in FY17. These amounts are now reported separately under Stakeholder Contributions as described later in this document.
[4] The total of $1.8 million is a decrease on FY15 and FY16 because these two years included a payments of $4,000,000 as an initial investment in the Stockland CARE Foundation. The CARE Foundation made partner payments of $200,000 annually commencing in FY16. Our Community Data Pack contains a breakdown of community investment by category.
[5] Prior to FY16, we reported community development and community investment contributions separately and did not include management costs. Management costs have therefore not been included in the total community contribution for FY15 and FY14. Management costs are included in the FY16/FY17 total community contribution and will be included going forward.

CASE STUDY
Measuring the social value created by our retirement living communities

We know that through talking with residents, there is intrinsic social value created through living in a Stockland retirement living community. To better understand and communicate this social value that is created by our Retirement Living portfolio for its residents, the local community and state-level government, we completed a Social Return on Investment (SROI) research project in partnership with Ernst & Young (EY). The outcomes of the SROI will assist us to communicate and enhance the intangible social value created by our retirement living communities.

Our approach was four-fold:

1. Conduct extensive stakeholder engagement
2. Design a Theory of Change and Measurement Framework
3. Undertake a resident survey to measure the outcomes
4. Assign proxies to value the outcomes.

Part of our stakeholder engagement involved four resident focus groups which were vital in unpicking the depth of, and commonalities among, our residents' experiences of Stockland retirement living. Overall a range of consistent positive and supportive sentiments were heard from the residents about their experiences and the value they have gained from moving into the community. For most, they expressed the sentiment that they did not realise how good the move would be, and would have considered moving earlier had they known. These focus groups helped EY researchers to design a specific survey around the key themes (outcomes) identified to measure the benefit and value created by the villages for our residents and other stakeholders. For all residents surveyed (637 in total), sense of community and sense of safety and security were the most significant wellbeing outcomes. This was closely followed by reduced worry, stress and concern, and greater independence.

Some key findings from the SROI include:

- The SROI found that Stockland creates $1.66 in social value for every $1 invested in its Retirement Living portfolio
- 64 per cent of the positive changes reported by residents are attributable to the services and amenities provided by Stockland
- 41 per cent of residents felt their wellbeing would have worsened during the course of the year if they had not been living in a Stockland retirement living community
- It is estimated that state-level government authorities receive nearly as much value in the form of avoided costs on health and care services ($162 million).

We will use the key findings from the SROI to inform messaging and support for our business to maximise the value we provide to our residents and local communities.

Community development

The community development initiatives reported in FY18 encompass national community development initiatives and programs, CARE grants and CARE Foundation activities. We implemented a total of 782 community development initiatives in FY18. The charts below outline the number of initiatives by business unit and focus area.

TOTAL INITIATIVES BY BUSINESS UNIT (782 INITIATIVES IN TOTAL)

Corporate 7%
Communities (Residential) 29%
Communities (Retirement Living) 14%
Commercial Property 50%
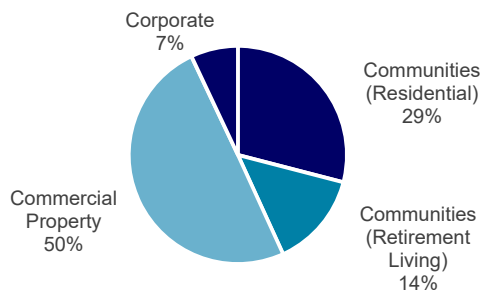
TOTAL INITIATIVES BY FOCUS AREA (782 INITIATIVES IN TOTAL)

Health & Wellbeing 22%
Education 9%
Community Connection 69%
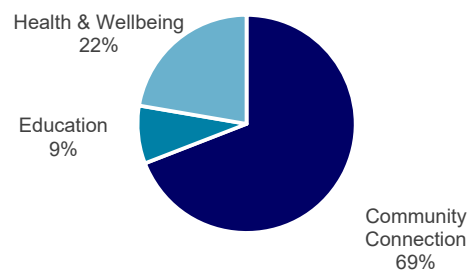
Our community development activities and partnerships

Many of our community development activities are delivered with the assistance of our community partners. This section describes some highlights of our partnerships, followed by a table that summarises outcomes across our partnerships. More detail on these partnerships can be found in our Community Data Pack.

Inclusive play with Touched by Olivia

We built six new inclusive playspaces in collaboration with our Stockland CARE Foundation partner Touched by Olivia. These playspaces are designed so that children of all abilities can play together, including those with physical disabilities, vision, hearing and mobility impairments, or spectrum disorders such as autism. In FY18, we built two inclusive playspaces at Stockland Green Hills (NSW), two at Stockland Wendouree (Vic), one at Stockland Rockhampton (Qld), and one in our Sienna Wood (WA) residential community.

Our inclusive playspace at Sienna Wood (Livvi's Place at Shipwreck Park) was opened on International Day of People with Disability. It spans six hectares and is our largest park in Western Australia, as explained in more detail in the case study below.

CASE STUDY
Shipwreck Park brings inclusive play to Sienna Wood

Shipwreck Park at our Sienna Wood (WA) residential community was officially opened in December 2017 on International Day of People with Disability. Shipwreck Park was designed in collaboration with the Touched By Olivia Foundation and provides an atmosphere where children of all abilities can play together, including those with physical disabilities, vision, hearing and mobility impairments, or spectrum disorders such as autism.

Touched by Olivia is one of our CARE Foundation partners and believe that all children, regardless of ability, can lead healthier and happy lives. Touched by Olivia advocate for an inclusive society, through its national network of inclusive playspaces and social enterprises that provide training and employment for people with disabilities.

At the opening, Col Dutton, General Manager for WA, said "We are very proud to be setting a new benchmark for inclusive, imaginative outdoor play in WA. Not only does Shipwreck Park celebrate diversity and inclusion, but at three times the size of the WACA, spanning 6 hectares, it is also our largest park in Western Australia."

With one in five Australians living with a disability, inclusive playgrounds like Shipwreck Park provide easy access and fun, stimulating play areas that celebrate the abilities of all children. Elements of the playground include viewing platforms, giant swings, a dual all-abilities flying fox, in-ground trampolines, slides and musical equipment for beating out tunes.

Enjoying the inclusive Shipwreck Park at our Sienna Wood (WA) residential community.

Col continues, "This is a fantastic play space that will allow kids' imaginations to run wild. They can look forward to endless fun studying a treasure map, walking the plank, climbing nets and navigating the high seas." The park also includes a large turfed 'teen area' offering older kids endless fun with table tennis and a basketball court. There is also a large enclosed off-leash dog park for residents to exercise their pooches, a network of walkways and cycle paths, fitness zones, barbecues and shaded areas.

We are proud to partner with the Touched By Olivia Foundation to spread the joy of inclusive play at our residential communities and retail town centres across Australia.

Healthy eating with Jamie's Ministry of Food

Our partnership with Jamie's Ministry of Food continued to expand across our residential communities, retirement living communities and retail town centres. We delivered five- and seven-week cooking programs that teach members of the community how to prepare simple, healthy, fresh and affordable meals at the fixed kitchen at Stockland Wetherill Park (which closed in January 2018), and through community outreach pilots at our Willowdale (NSW) and Elara (NSW) residential communities, and our Hillsview (SA) retirement living community. At Hillsview, we invited prospective residents to the final two weeks of the program, resulting in reservations for two homes.

We continued to work with the Jamie's Ministry of Food Mobile Kitchens in Queensland and Western Australia by providing funding, marketing, and logistics support. We also delivered 'Learn Your Fruit and Veg' school holiday programs in five of our retirement villages, and specially designed cooking demonstrations for Mens' Health Week in two of our villages in Victoria. Over 2,215 customers, residents and local community members have participated in the programs held in FY18.

Independent evaluations conducted by Melbourne University and Deakin University in 2014 and 2015 concluded that the Jamie's Ministry of Food program not only increases participants' cooking confidence, knowledge, attitudes and beliefs towards cooking and healthy eating, but also shifted behaviours, supporting our community sustainability objectives of health and wellbeing.

Other community development highlights

Through our partnership with Bowls Australia, we held six coaching clinics led by Australian Jackaroo representatives in South Australia and Victoria, along with four bowls masterclasses during Victoria's Mens' Health Week. We also held six Royal District Nursing Service (now known as Bolton Clarke) Health and Wellbeing Sessions including Keeping Our Skin Healthy, Master Your Mind, Healthy Brain – Healthy Body, and Peace of Mind – CPR Training, at Long Island (Vic), Arilla (Vic) and Donvale (Vic) retirement living communities. Over 500 participants attended the planned bowls events, coaching clinics and health and wellbeing sessions.

At our residential communities, 11,855 students across 24 primary schools in Melbourne, Sydney, Brisbane, Gold Coast, Sunshine Coast and Perth took part in the hands-on National Theatre for Children STEAM enrichment education opportunity. Also, in response to resident's feedback from our 2017 Liveability Index survey, we partnered with Neighbourhood Watch Victoria to deliver resources, education and support for three communities. The partnership resulted in the formation of three Neighbourhood Watch groups and a program of ongoing support to establish and grow these groups.

In addition to community development activities delivered through our community partners, our retail town centres, residential communities and retirement living communities celebrate cultural events such as NAIDOC Week and National Reconciliation Week. We also work with local community organisations to celebrate local festivals and seasonal events at our assets.

CASE STUDY
Focusing on local employment at Green Hills

The Green Hills Connectivity Centre was a collaboration between us and the primary contractor on our Green Hills redevelopment, that sought to leverage the economic potential of the redevelopment to address the high level of youth unemployment in the Maitland area. The aim of the Connectivity Centre was to connect local job seekers with employment opportunities in the redeveloped Stockland Green Hills (NSW), and to upskill individuals in preparation for the workplace.

Over the two years of its operation, the Connectivity Centre placed more than 180 local people in jobs, exceeding its initial target of 100. Importantly, the majority of placements were in sustainable employment.

The Connectivity Centre also ran workshops such as the Customer Service Workshop, Driver Learner and Driver Awareness workshops, and Interview Technique workshops, all designed to enhance the employability of local residents.

On Monday 26 March 2018, the Connectivity Centre wound up operations as the $421 million redevelopment project drew to a close. Stockland was joined by Multiplex, Maitland City Council, local employers, employer services organisations, community groups and government departments, to celebrate the achievements of this important initiative.

Tim Beattie, Commercial Property General Manager Development and Design, said: "The Connectivity Centre was not just about finding and filling jobs for now, but providing the skills for later. We wanted to help people in this region be job ready for years to come and are very proud to see over 150 people placed in jobs through this positive employment initiative".

The Green Hills Connectivity Centre built on the success of our collaboration with Multiplex at Shellharbour Connectivity Centre, which also helped hundreds of local people find employment as a result of the development. We will continue to work with our builder partners at our development projects to establish a broader local economic benefit resulting from our work.

OUR COMMUNITY PARTNERSHIPS AND THEIR FY18 IMPACT

COMMUNITY PARTNER	DESCRIPTION	IMPACT HIGHLIGHT
Heart Foundation	Walking groups that promote physical activity, emotional wellbeing and community connection held in and around Stockland retail town centres, residential and retirement living communities.	• Total of 53,535 walks completed in FY18 • 24 active weekly walking groups, through 18 retail town centres and three retirement living communities.
Bowls Australia	Active lifestyle, learning opportunities and community connection through coaching clinics and masterclasses, along with health and wellness information sessions.	• Over 500 participants attended planned bowls events, coaching clinics and RDNS (now Bolton Clarke) health and wellbeing sessions.
Live Life Get Active	Weekly, community fitness classes provided free of charge to local Stockland residential communities.	• 21 active camps engaging 7,243 residents from direct and surrounding suburbs equating to 42,00 hours of outdoor activity. • Health and wellbeing improvements include total of 5,155 kilograms lost and 6,009 cm's lost from waists of members.
Jamie's Ministry of Food	Provides healthy eating and good nutrition hands-on education programs and cooking schools through a permanent kitchen at Stockland Wetherill Park, Mobile Kitchen programs, Community Outreach programs, localised cooking demonstrations and Learn Your Fruit and Veg school holiday programs.	• Over 2,215 customers, residents and local community members have participated in the FY18 programs. • Participants of both the permanent and mobile kitchens were found to increase their vegetable consumption by over half a serve per day and this behaviour has been sustained six months after the completion of the program. The program has also been shown to increase social connectedness particularly for the socially isolated and people with disabilities.
Touched by Olivia Foundation	Provides engagement and consultation on design to deliver inclusive playspaces within and surrounding our Stockland communities.	• Delivered six inclusive playspaces. • Enhanced community connectivity and sense of belonging. • Increased local employment and training opportunities at Livvi's Places.
Redkite	Provides essential support to children and young people with cancer (up to the age of 24).	• As a result of Stockland's funding, Redkite was able to provide practical and/or emotional support services to 100 families at different stages of their child's cancer journey.
Conservation Volunteers Australia	Supported volunteering for Stockland employees to take part in conservation programs across Australia.	• Improvements to the habitat of the critically endangered Eastern Curlew migratory shore bird at Towra Point, Sydney.
Australian Business and Community Network	Provides Stockland employees with opportunities to provide facilitated mentoring in high needs' schools around Australia.	• 479 students from 30 ABCN schools benefited from mentoring provided by Stockland volunteers.
The National Theatre for Children	Student education program focused on sustainability. Offers students hands on in class STEAM education combined with LEGO® Education robotics tied together with a live performance.	• Delivered to 23 primary schools across 22 residential communities, reaching 11,584 students and 538 teachers.

CARE Grants Program (formerly known as Community Grants Program)

Stockland CARE Grants is an annual program held across our Retail Town Centre, Retirement Living and Residential portfolios to provide local organisations the opportunity to help create more cohesive, inclusive and engaging community-based programs.

In June 2018 we awarded over $270,000 to local community groups as Stockland CARE Grants. The program, now in its fifth year, has supported grassroots community development by awarding over $1 million to more than 1,000 community groups. From a shared value perspective, an important consideration is the exposure received from media coverage and social content about the community grants program. This provides visibility of the reach of the program and further raises awareness of both the CARE grants and the recipients in our communities. In FY18, the CARE grants program generated media coverage valued at over $18,000 and approximately $55,000 worth of public relations value.[6]

CASE STUDY
National Theatre for Children nurtures Australia's next generation of scientists and engineers

Stockland and the National Theatre for Children (NTC) joined forces for the third consecutive year to present a first-of-its-kind program using LEGO® Education robotics, as part of a new learning experience for students. The 'Bee on the Team' (BOTT) program offers primary school students hands-on, in-class STEAM (Science, Technology, Engineering, Arts, Mathematics) education experiences combined with LEGO® Education robotics.

Through our sponsorship, 11,855 students across 24 primary schools in Melbourne, Sydney, Brisbane, Gold Coast, Sunshine Coast and Perth took part in the hands-on STEAM enrichment education opportunity.

The BOTT program involved professional actors from NTC portraying bees, a bear and an ant in a live in-school comedy. After the theatrical event, each teacher was provided with a supplemental curriculum designed to make science come to life.

The unique combination of the theatrical event, classroom-friendly software, and inspiring, curriculum-based science projects helps to build students' confidence to ask questions, define problems and design their own solutions.

Students then formed in-school teams, provided with LEGO® Education WeDo 2.0 kits and guided by teacher coaches, explored real-world scientific problems and created posters to illustrate their journey of discovery.

Students also constructed a motorized model of what they learned using LEGO® Education WeDo 2.0 kits. The students then showcased their work in a school expo inviting parents, teachers and the local community to experience their creations and journey.

The National Theatre for Children STEAM program focuses on the importance of innovation and helps to educate the next generation of the importance of STEAM based learning. Of the teachers surveyed, 100 per cent reported that they would like to see Stockland continue to offer NTC programs to their school. According to Chloe Felmingham from Cranbourne East Primary School, "Bee on the Team was an incredibly engaging performance that had kids laughing and actively participating. It was a great way to engage students in the process and begin talking about ways to solve problems."

The 'Bee on the Team' program at Alkimos Beach Primary School (actor Jacqueline Irvine, The National Theatre for Children, reproduced from North Coast Times Community News).

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[6] Estimate based on average advertising value equivalent.

Community Investment

Giving

In FY18, our employees donated $140,155.88 to a total of 123 individual charities via our workplace giving program. Stockland matched 98.7 per cent of these donations to a total of $138,365.88. This is a 19 per cent increase in number of employees donating and a 10 per cent increase in employee donations from FY17.

Over the year, 32 per cent of employees participated in our workplace giving program. This is an increase from 29 per cent in FY17 and exceeds our FY17 community investment target of 25 per cent. In FY17 we reported employee, customer and supplier contributions under Stockland CARE Foundation and Workplace Giving. For FY18 this was reported separately as Stakeholder Contributions ($288,394) and the breakdown was:

- employee donations: $146,977
- customer donations: $30,735
- supplier donations: $110,683.

Volunteering

Overall, 480 employees contributed over 4,336 hours in FY18 to support the communities in which we operate.

The implementation of our new volunteering strategy has encouraged employees to undertake skilled volunteering activities as well as participate in group volunteering. Employee participation in our volunteering programs was 31 per cent, which included participation in a team volunteering day, becoming a student mentor, or using their personal volunteering leave.

In FY18, 154 employees volunteered in a student mentoring program via our partnership with the Australian Business and Community Network (ABCN). We deployed a new recruitment model which resulted in an increase in interest and we added extra programs to accommodate this interest. One of the new programs is called 'Innovate', which is a mentoring program designed for Year 7 and Year 8 students to encourage the uptake of STEM (science, technology, engineering and mathematics) subjects.

Following the interest from our employees in relation to the four Indigenous scholarships we funded through the ABCN Scholarship Foundation in FY17, and matched with mentors in FY18, we funded an additional two Indigenous scholarships in FY18 (who will be matched with mentors in FY19). Over the next year, we will identify and roll out more skilled volunteering opportunities that leverage our existing community partnerships. More information on our indigenous scholars program is in our Human Rights Deep Dive.

Stockland CARE Foundation

In FY15, the Stockland CARE Foundation made its inaugural commitment to Redkite and Touched by Olivia who were chosen as the first charity partners to receive financial and in-kind support from the Foundation for a minimum three-year period. The Foundation has extended these partnerships into FY19. Since the launch of these partnerships, we have focused on embedding the Stockland CARE Foundation purpose, partners and programs into our offices and assets.

Supported by our state employee volunteer committees, our employees ran numerous events, fundraisers and volunteering activities throughout FY18. Some of the highlights of the year included:

- Foundation Fortnight, which is a concentrated two week period of targeted events and activations to promote awareness and raise funds for our Stockland CARE Foundation and its partners. FY18 was the third year for Foundation Fortnight, which was held from 2 October 2017 to 15 October 2017 at our state offices and selected assets. During the fortnight, our corporate, employee, partner and community contributions to the Foundation exceeded $245,000. We have integrated supplier and contractor engagement into our annual Foundation Fortnight for FY19 (as we did not host a fundraiser targeting suppliers and contractors in FY18 as originally intended).
- participation of 14 retirement living communities in Family Day (formerly known as Grandparents Day), an increase on the six villages that participated in FY17. Family Day provided an opportunity to raise awareness about the CARE Foundation and its charity partners in a fun environment involving activities including face painting, petting zoos, craft tables, treasure hunts and food and drink. In FY18, 1570 residents and family members participated compared to 830 in FY17.
- fundraising and volunteering efforts that resulted in:
  - support for 100 families who will have access to Redkite's full suite of programs and services
  - six new inclusive playspaces delivered with two at Stockland Wendouree (Vic), two at Stockland Green Hills (NSW), one at Stockland Rockhampton (Qld), and one at our Sienna Wood (WA) residential community.

CASE STUDY
Bringing inclusive play to the Vivid Sydney festival

Inclusion is a theme that cuts across all of our community focus areas of health and wellbeing, community connection and access to lifelong education opportunities. With one in five Australians living with a disability, the Stockland CARE Foundation was delighted to collaborate with Vivid Sydney organisers, Destination NSW, Cushman & Wakefield, Charter Hall, ARA Group, Westpac and Australia Post to make inclusion a focus of the annual Vivid Sydney festival in 2018.

The outcome was the festival's first inclusive playspace at Tumbalong Lights, setting a new benchmark for inclusive, imaginative outdoor play. This fantastic play installation showcased how all children can play together, including those with physical disabilities, vision, hearing and mobility impairments, or spectrum disorders such as autism.

Over 23 evenings, over 60,000 visitors enjoyed Tumbalong Lights. Of these visitors, 700 groups were identified as having special needs or access requirements.

The work of Tumbalong Lights is an extension of our focus on inclusion in the communities where we operate. In collaboration with Stockland CARE Foundation partner Touched by Olivia, we have developed 11 inclusive play spaces around the country in both our retail town centres and residential communities with our partner. We remain focused on developing more inclusive playgrounds to make a lasting, positive contribution to local communities.

Along with Stockland CARE Foundation partner Touched by Olivia, we collaborated with Vivid Sydney organisers to bring the joy of inclusive play to the festival.

Customer Engagement and Experience   FY18

Why this is important to Stockland

Understanding and responding to our customers' changing needs and improving the customer experience is critical to the sustainability of our business and the ongoing relevance and reputation of our brand, products and services.

Our commitment to customer engagement is consistent across our diverse customer base, which includes:

- the people who live in our residential communities
- the people who live in our retirement living communities
- the people who may potentially live in our residential and retirement living communities
- shoppers and retailers in our retail town centres
- office, logistics and business park tenants across our commercial assets.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1]

This Deep Dive is to be read in conjunction with our published approach to customer engagement and experience, available as part of our sustainability reporting suite at Our Management Approach to Customer Engagement and Experience. Please note that investor and broader community engagement activities are detailed in our Stakeholder Engagement Deep Dive.

Our key achievements

- Achieved tenant satisfaction of 90 per cent (target 80 per cent) for our Logistics and Business Parks tenants.
- Surveyed tenant satisfaction in our Workplace portfolio for the first time, receiving a score of 82 per cent satisfaction.
- Achieved resident satisfaction of 93 per cent (target 90 per cent) across our residential communities.
- Achieved residential communities prospective resident satisfaction of 82 per cent (target 75 per cent).
- Enhanced our national Liveability Index survey in response to customer feedback and met our Liveability targets.
- Rolled out our shopper satisfaction program across 34 of our retail town centres.
- Introduced customer immersion workshops earlier into our Residential and Retirement Living development process, enabling customer considerations to inform early design of our projects.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Achieve retailer satisfaction score of 77 per cent.	Not achieved	Our retailer satisfaction was 72 per cent this year. In light of difficult retail trading conditions, overall retailer satisfaction with the whole industry is lower this year which has contributed to our result.
Achieve tenant satisfaction amongst Logistics tenants of 80 per cent.	Achieved	Our Logistics tenant satisfaction was 90 per cent.
Extend tenant satisfaction surveys to our Workplace tenants.	Achieved	We extended our tenant satisfaction surveys to our Workplace portfolio, and received a satisfaction rate of 82 per cent.
Achieve prospective resident satisfaction of 75 per cent nationally amongst Lead and Opportunity customers.	Achieved	Our satisfaction rate amongst Lead and Opportunity customers was 82 per cent.
Achieve resident satisfaction across our residential communities of 90 per cent as measured by our annual Liveability survey.	Achieved	Our resident satisfaction rate was 93 per cent across our active residential communities.
Achieve a resident Personal Wellbeing Index score above the Australian national average as measured by Deakin University.	Achieved	Our Personal Wellbeing Index score was 77 per cent which is above the Australian National average of 74.2 - 76.8 per cent as measured by Deakin University.
Achieve an average happiness score amongst our retirement living residents of 8.25 (out of 10).	In progress	We did not survey retirement living residents in FY18 because of changes to the timing of our research program from autumn to spring of each year (as foreshadowed in our FY17 sustainability reporting). Resident satisfaction as of March 2017 was 8.44, and we anticipate surveying again in September 2018 according to the new research timing.
Achieve overall satisfaction of 75 per cent amongst our prospective retirement living customers (Leads and Reservations).	Not achieved	Overall satisfaction amongst our prospective retirement living customers was 73 per cent.

Future priorities

- Achieve retailer satisfaction of 75 per cent in FY19 (based on a new calculation metric described later in this report).
- Achieve shopper satisfaction of 80 per cent in FY19.
- Achieve tenant satisfaction amongst Logistics, Business Parks and Workplace tenants of 80 per cent in FY19.
- Achieve prospective resident satisfaction of 80 per cent nationally amongst Lead and Opportunity customers in FY19.
- Achieve a Liveability score of 80 per cent across our residential communities by FY19.
- Maintain a resident Personal Wellbeing Index score above the Australian National average in FY22.
- Achieve an average happiness score amongst our retirement living residents of 8.25 (out of 10) in FY19.
- Achieve overall satisfaction of 75 per cent amongst our prospective retirement living customers (Leads and Reservations).

FY18 performance and case studies

Commercial Property

Retail tenant satisfaction

Our FY18 retail tenant satisfaction score was 72 per cent, 5 percentage points below our 77 per cent target (described in the table below). The weighted customer satisfaction score, developed by Stockland using data sourced from two different surveys conducted by Monash University, measures performance against five key metrics:

- proportion of highly satisfied customers
- proportion of dissatisfied customers
- satisfaction ranking relative to competitors
- proportion of retailers likely to renew with us
- our ranking on intention to renew relative to our peers (newly introduced metric).

Our retail tenant satisfaction performance over the years is provided in the table below. Our FY18 result was impacted by a number of factors including lower retailer satisfaction with the industry overall (most likely as a consequence of difficult retail conditions) as well as a decline in some of the underlying metrics. In particular, the results show greater dissatisfaction amongst our independent retailers and centre-based retailers responsible for leasing. We are using these results to inform our future priority to improve retailer satisfaction through trade marketing and relationship building initiatives.

RETAIL TENANT CUSTOMER SATISFACTION

	FY18	FY17	FY16	FY15	FY14
Weighted customer satisfaction score[2]	**72%**	75%	76%	79%	80%
Relative customer position amongst Head Office based retailers (Monash University's TenSAT survey)	**2nd**	2nd	1st	1st	1st

It is worth noting that we still lead the industry on satisfaction amongst all retailers (as opposed to subgroups of retailers such as only those responsible for leasing).

Our existing methodology to calculate retailer satisfaction is based in part on how we rank relative to our peers on both satisfaction and intention to renew leases. Over the last couple of years, we have increasingly found that there is little difference between landlords and as such, we have decided to simplify the calculation and base retailer satisfaction on our performance relative to the industry average rather than based on a ranking. The new methodology will consist of two metrics:

- satisfaction metric: our performance compared with the industry average amongst all retailers and all retailers responsible for leasing
- intention to continue relationship metric: our performance compared with the industry average amongst all retailers and all retailers responsible for leasing

Our retail tenant satisfaction target for FY19 using the new approach will be 75 per cent. Historical performance on this metric is provided in the table below.

PERFORMANCE ON NEW RETAILER SATISFACTION TARGET

	FY18	FY17	FY16
Weighted customer satisfaction score (revised)	**72.5%**	75%	77.5%

Shopper satisfaction research

We have been measuring shopper satisfaction across our largest ten retail town centres since mid-2016. From January 2018, we expanded the research to cover 34 of our centres. This research collects shopper assessments each quarter on a range of different metrics including satisfaction and centre performance. The research is conducted by Monash University and results are benchmarked against an industry average.

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[2] Weighted based on performance against five key metrics: the proportion of highly satisfied customers, the proportion of dissatisfied customers, satisfaction ranking relative to competitors, incidence of intending to renew and intention to renew relative to our peers. Sample is all those retailers responsible for leasing.

Across the centres covered by our research, we achieved a shopper satisfaction target of 76 per cent in FY18 and have set a target to achieve 80 per cent in FY19.

SHOPPER SATISFACTION METRICS

	FY18
Shopper satisfaction across the Stockland portfolio[3]	76%
Weighted Industry Average (reflective of Stockland's main centre type) as measured by Monash	77%

Workplace and Logistics tenant satisfaction

In FY18, 90 per cent of our Logistics tenants rated their satisfaction with Stockland as high compared to a target of 80 per cent. This year we also surveyed our Workplace tenants, where 82 per cent of tenants were highly satisfied. The FY19 target will remain at 80 per cent and will apply to Workplace and Logistics tenants altogether.

WORKPLACE AND LOGISTICS TENANT SATISFACTION

	FY18	FY17	FY16
Logistics tenant satisfaction	90%	89%	87%
Workplace tenant satisfaction	82%	NA	NA
Combined Workplace and Logistics tenant satisfaction	89%	NA	NA

Communities

Residential

We completed our annual proprietary Liveability Index survey and in FY18 we received almost 2,500 survey responses from residents across over 40 residential communities.[4] This research tells us how satisfied our residents are once they have moved into our residential communities, what we are doing well, and learnings that we can take forward for future developments. Insights from this research are used to inform strategic planning of each community and our national community design guidelines. For further information on how we use this insight to inform community development, please refer to the Community Deep Dive.

Our liveability research has been an important focus of our customer engagement activities since its inception. Our Liveability Index survey began in 2011 as a paper and pen survey containing 30 metrics and using an 11-point scale, and from FY13 we allowed for the survey to be completed online. While the metrics and scale allowed for a high degree of accuracy in measuring satisfaction, it was not optimised for completion on mobile devices. In FY18, with over half of residents now completing the survey on a mobile device, we took the opportunity to review the survey and make it more user-friendly. We introduced a five-point scale and restructured the survey into a core survey that could be completed in 10 minutes plus an optional additional section that asks for deeper insights.

As a result of the changes we made to the survey in FY18, it is not feasible to directly compare our FY18 Liveability Index score with historical data. In anticipation of this issue, we used resident satisfaction as our target for FY18, given the strong correlation between the Liveability Index score and resident satisfaction. The below table provides historical Liveability Index and resident satisfaction scores for comparison purposes.

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[3] Based on percentage rating satisfaction as 6-10 out of 10.
[4] We targeted and received sufficient responses from 23 communities to look at these results in depth.

CASE STUDY
Early amenity delivers liveability at Aura

Moving into a brand new community is an exciting time for our residents, many of whom have just purchased their first home. This experience is enhanced even further when we are able to bring forward the delivery of key community infrastructure for the benefit of the community's initial residents.

Our $5 billion Aura (Qld) residential community on the Sunshine Coast is the largest project ever undertaken by Stockland and will continue to develop for at least the next 25 years. We have made a concerted effort to provide open space, community facilities, and other programs early in the development lifecycle, so that residents that move in during the first stages do not have to wait for years to enjoy everything that this 6 Star Green Star community has to offer.

Aura residents were included in our annual Liveability Index survey for the first time in 2018. Aura's Liveability Index score was 78 per cent, a strong result for a new community. Aura residents' average wellbeing score is at 81 per cent, above the national average of 74-76 per cent (according to the Personal Wellbeing Index measured by Deakin University). Residents also feel that their standard of living has improved since moving to Aura (85 per cent).

Satisfaction with public spaces and amenity is at 86 per cent, which is one of the highest results across our portfolio. Residents said that they enjoyed "the cleanliness of park facilities and family friendly orientation", they remarked how "the public landscaping and design makes Aura feel well-built and well thought-out", and they were "proud" to tell people they lived at Aura.

In fact, 60 per cent of Aura residents say they have recommended the community to others, which is substantially higher than the average across all communities. These results are a testament to the strong efforts by our Communities business to deliver early amenity at Aura and actively address any issues as they arise.

As Australia's largest residential developer, we understand both the excitement and the challenges that come with living in a new community. Through the insights gained from our Liveability Index, we remain committed to investing in what matters most to our residents as we develop our new communities.

Early delivery of community amenity has helped Aura achieve a strong liveability score for a new community.

LIVEABILITY AND RESIDENT SATISFACTION

	FY18	FY17	FY16	FY15
Average Liveability Index[5] score across our communities	78% (using new methodology – not comparable to previous years)	**83%**	84%	84%
Average resident satisfaction across our communities[3]	93%	93%	93%	93%
Average resident Personal Wellbeing score as measured using Deakin University's methodology	77%	79%	80%	80%

In FY18, we scored 78 per cent on our new Liveability Index modelling which is calculated using regression modelling.

We also introduced a new question this year which asks residents if the community has met or exceeded their expectations, and 88 per cent of residents responded positively on this metric. The proportion of residents agreeing they are likely to recommend Stockland has also increased, which is an important metric because referrals are a key source of new business.

[5] Liveability score is a single number that measures resident satisfaction on a range of attributes calculated using regression analysis.

We have now reset Liveability Index targets to be achieved by the end of FY19.

LIVEABILITY NEW TARGETS

	FY19 TARGET
Average Liveability Index score across our communities	**80%**
Average resident Personal Wellbeing score as measured using Deakin University's methodology	**Above Australian average** (average at August 2017 is 74.2 – 76.8 per cent)

CASE STUDY
Enhancing our customer centricity

We are committed to enhancing customer centricity and considering our customers' needs at all stages of their engagement with us. Three engagement methods that underpin our customer focus include:

- development of our own research community, Stockland Exchange
- incorporating customer immersion workshops early in our development process
- launch of Stockland Listens customer immersion program.

We set up Stockland Exchange almost five years ago and today we have over 5,500 members who are residents, prospective residents and shoppers. We use this community to reach out to customers and get their feedback on a range of different issues. This provides us with a quick and cost-effective means of engaging with our customers and acting on their feedback.

Some examples of how we have used the Stockland Exchange include:

- testing new ideas and initiatives
- voting on community names
- feedback on future parks
- input into future town centres
- positioning of and communication about our communities.

We are increasing our use of customer immersion workshops in our development planning. The workshops involve engaging prospective customers for feedback on our initial design plans, floor plans and marketing which inform early planning and development of our new communities. Different functions across our business interact directly with customers and share insights with the whole project team. In this way, we are better able to identify potential issues early on and put the customer at the heart of our project team's decision-making, ultimately leading to a better outcome.

Stockland Listens was launched this year to make it easy for staff within our Residential business to connect with, listen to, and learn from our customers. Customers attend staff meetings in each state and share their home buying stories. Listening to their feedback generates ideas from staff on improving the customer experience, which are collected and prioritised by team leaders for implementation. Staff also listen in with our contact centre to hear phone calls and discuss improvement opportunities with front line staff. We are already actioning two major initiatives as a result of Stockland Listens, and have a pipeline of ideas under consideration by our Customer Experience team.

Over 250 of our people have engaged with Stockland Listens to date, and the program will be extended to all business units in FY19 and become part of our normal operating rhythm.

Enhancing customer experience at Newport (Qld) using virtual reality.

Satisfaction with the residential purchasing experience

We introduced a new metric to measure prospective resident satisfaction FY18, consisting of three components that drive customer engagement and conversion:

- satisfaction with overall experience of dealing with Stockland
- likelihood of recommending Stockland if asked and
- sentiment on the effort required in engaging with Stockland through the process.

Our FY18 prospective resident satisfaction score was 82 per cent. which is a significant improvement on our FY17 performance against the metric and exceeds our FY18 target of 75 per cent. Our performance can in part be explained by the fact that we were able to better meet demand which had been a major cause of frustration for customers in previous years, particularly in New South Wales and Victoria. We also introduced initiatives, such as Stockland Listens, to raise the importance of focusing on the customer and addressing customer concerns.

Other customer-focused enhancements include:

- establishing national guidelines for setting accurate settlement timing expectations (in response to frustrations regarding settlement delays)
- key performance indicators for our development teams to deliver projects on time
- increased frequency and personalisation of our customer communications.

PROSPECTIVE RESIDENT SATISFACTION – RESIDENTIAL

	FY18	FY17
Weighted customer satisfaction score[6]	**82%**	76%

CASE STUDY
Enhancing referrals through community development activities

Investment in community development is a cornerstone of how we focus on liveability in our residential communities across Australia. At our Elara (NSW) residential community, for example, residents have enjoyed programs from Jamie's Ministry of Food and Live Life Get Active, as well as Walk Your Lot events where purchasers can connect with neighbours prior to completion of their homes.

Community development initiatives at Elara have focused on building community connection through diversity and inclusion. Residents can mingle at night markets and seasonal events such as Diwali and Australia Day movie nights. At the Elara community garden, residents can come together for gardening workshops specialising in small-space planting and run in conjunction with a 'paddock to plate' food supplier.

Over the past year, as community development at Elara continues to strengthen, our marketing and sales teams have noticed that inquiries at Elara based on referrals from existing residents have increased. In fact, referrals leading directly to sales were the largest proportion of sales at Elara from January through June 2018, accounting for over 38 per cent of all sales (as opposed to sales where inquiry originated through our website or radio/television advertising, for example).

Buying a home is one of the most important decisions that most people make in their lifetimes, and so it is unsurprising that recommendations from friends and family play a strong role in these decisions. At Elara, we have noticed that its increase in referrals has coincided with targeted investment in community development. While there are many reasons why a resident may refer friends and family to live in one of our residential communities, it is encouraging from a shared value perspective to observe that our commitment to shape thriving communities may also benefit the business through increased and more streamlined sales.

Enjoying the community garden at Elara (NSW).

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[6] Calculated based on total volume of surveys (historically 70% being from Leads and 30% from Deposits).

Retirement Living

As indicated in our FY17 Customer Engagement and Experience Deep Dive, we have changed the timing of our Residents Voice survey to better align with business planning. Survey results will be available in October 2018 and the target remains unchanged at 8.25/10 mean resident satisfaction. In FY18 we participated in an industry-wide survey of Australia's retirement communities conducted by McCrindle Baynes.

We have been measuring prospective resident satisfaction amongst our retirement living customers since FY15. We survey Lead and Reservation customers on their experience and satisfaction with Stockland and in FY18 the prospective resident satisfaction was 73 per cent (target is 75 per cent).

PROSPECTIVE RESIDENT SATISFACTION – RETIREMENT LIVING

	FY18	FY17	FY16	FY15
Prospective resident satisfaction (Leads & Reservations)	**73%**	79%	68%	71%

Stockland Exchange

Stockland Exchange is our own research community made up of shoppers, residents and prospective residents across both our residential and retirement living communities. The research community has over 5,500 members aged from 18 to over 90. In FY18, members have collectively engaged in almost 50 research projects and provided over 17,000 survey responses on a range of initiatives. In the last year we have welcomed just under 1,000 new members and used community feedback to help:

- inform our innovation projects and assumptions
- evaluate communication concepts
- identify gaps and opportunities to better meet shopper needs
- inform our food catering strategy across a number of centres
- understand play area needs and evaluate play area designs.

Having our own research community enables us to gather insight from our customers quickly and cost effectively. Since 2014, we estimate that we have received over $2 million in value from our research community. Stockland Exchange makes it easier and quicker for us to engage with our customers; listen to their feedback and ultimately help build communities that better meet the needs of our customers.

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Employee Engagement, Development, Diversity and Inclusion Deep Dive

FY18

Why this is important to Stockland

The ability to engage and retain our employees is critical to our overall business performance. Employees who are engaged are more productive, more passionate and more inspired to innovate and deliver above and beyond standard performance. Furthermore, building a diverse and more inclusive workplace enables greater breadth of thought, more informed decision-making, and better business outcomes.

Developing our employees' capabilities enables them to deliver on our business strategy and purpose, to drive continuous improvement and enhance performance. An employee's professional development enhances each employee's passion and potential to deliver high quality performance outcomes, both for themselves and for the business.

Effectively monitoring and evaluating performance also enables us to maintain our people's actions and outcomes in alignment with our broader business objectives.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] The material in this Deep Dive is supported by a wider collection of performance metrics contained in our People Data Pack.

This Deep Dive is to be read in conjunction with our published management approaches to employee engagement and development, as well as to diversity and inclusion (available on our website as part of our sustainability reporting suite).

Our key achievements

- Achieved an employee engagement score of 83 per cent (7 points above the Australian National Norm).
- Reduced turnover of employees in their first year and met our target for employee-initiated turnover of employees with Strong performance or above.
- Delivered our Senior Leadership Experience program to an additional three cohorts of senior leaders with remaining senior leaders scheduled to attend in FY19.
- Recognised for the second consecutive year as a top graduate employer in Australia by both the Australian Financial Review and the Australian Association for Graduate Employers.
- Mainstreamed flexible work arrangements with 80 per cent of employees working flexibly, and placed runner-up in the 2018 Champion of Flexible Work Awards.
- Recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the fourth consecutive year.
- Increased representation of women in senior management positions from 38.8 per cent to 39.7 per cent and appointed two additional women to our Executive Committee.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

FY18 priorities and progress

Employee engagement

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Maintain an employee engagement score of 80 per cent or above, and above the Australian National Norm.	Achieved	We achieved an employee engagement score of 83 per cent, which is an increase of one point and is seven points higher than the Australian National Norm.
Maintain employee turnover (<1 year tenure) at 20 per cent or lower.	Achieved	Our turnover for employees tenured less than one year was 14.6 per cent.
Maintain employee-initiated turnover for employees (with Strong performance or above) at 12 per cent or lower.	Achieved	Our employee-initiated turnover for employees with Strong performance or above was 10.9 per cent.
Improve Stockland's Wellbeing Index to 78 or above, as measured by the FY18 Our Voice survey.	Not achieved	Our Wellbeing Index score for FY18 was 75, as measured by the Our Voice survey. This score is unchanged from FY17 and is four points above the Australian National Norm.

Employee development

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Deliver Senior Leadership Experience program to General Managers and Senior Managers.	In progress	Over FY18 three additional cohorts of the Senior Leadership Experience program were delivered. Additionally, General Managers and Senior Managers have been scheduled to attend the program in FY19.
Roll out next phase of the Stockland Leadership Framework to the Manager job band.	In progress	The next phase of the Stockland Leadership Framework will be rolled out in FY19.

Diversity and inclusion

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Maintain gender pay equity ratio of 97 - 103 per cent.	Achieved	At 30 June 2018, our gender pay equity ratio was 98.3 per cent.
Increase the percentage of women in management roles towards target of 50 per cent by 2020.	In progress	At 30 June 2018, women represented 45.1 per cent of our management population.
Hire at least two employees with disabilities per annum from FY16 to FY18.	Achieved	We hired two employees with disabilities during FY18.

Future priorities

- Maintain employee engagement at 80 per cent or better.
- Complete a review of our organisational culture with regard to Stockland's values, strategy and societal expectations.
- Launch our People Proposition to external and internal audience by including it in our recruitment and onboarding processes and aligning with other key employee touch points.
- Complete delivery of Senior Leadership Experience program to existing General Managers and Senior Managers.
- Develop and deliver the Managing@Stockland component of our leadership development framework (targeted at all people managers).
- Deliver training focused on employee wellbeing and resilience to Executive Committee and General Managers.
- Increase the percentage of women in management roles towards target of 50 per cent by 2020, with a FY19 target of 48.6 per cent.
- Maintain the percentage of employees with flexible working arrangements, as nominated by their One Simple Thing, at or above 80 per cent.

- Pilot internships for Aboriginal and Torres Strait Islander students through Career Trackers.

FY18 performance and case studies

Employee engagement

Building a highly engaged workforce is critical to our success as an organisation and our ability to deliver on our priorities. We have partnered with Willis Towers Watson, a leading global advisory company, for over a decade to design and deliver the Our Voice employee engagement survey, which is one of the key ways we measure the engagement of our employees.

The table below provides some headline metrics from this year's survey. A larger sample of results by survey category is provided in our People Data Pack.

SURVEY QUESTION/METRIC	FY18	FY17
Employee engagement – composite employee engagement score	83 per cent 7 points above the Australian National Norm	82 per cent
Corporate responsibility and sustainability – composite corporate responsibility and sustainability score	89 per cent 10 points above Australian National Norm	88 per cent
Diversity and Inclusion – composite diversity and inclusion score	87 per cent 7 points above Australian National Norm	86 per cent
Wellbeing – composite wellbeing score	75 per cent 4 points above Australian National Norm	75 per cent
Health and safety – composite health and safety score	93 per cent 9 points above Australian National Norm	92 per cent
Leadership – overall leadership score	73 per cent 5 points above Australian National Norm	73 per cent

The FY18 Our Voice survey also identified areas for improvement. We will continue our focus on enhancing processes and systems (where we scored 70 per cent, an increase of four per cent from FY17 although still 12 points below Australian National Norm). We remain committed to our Core Systems project that will consolidate systems used across the business. We anticipate our systems and processes scores to increase following completion of our Core Systems upgrade.

We will also maintain momentum on improving our capacity for innovation (where we scored 69 per cent). In FY18 we created the new position of Group Executive – Chief Technology and Innovation Officer and tested the role of Employee Innovation Groups, bringing together 50 employees of all levels to consider opportunities into 2030. Opportunities identified by the groups were assessed and prioritised for further review by our Executive Committee and Board to select key projects to progress.

Other projects undertaken to enhance employee engagement in FY18 include:

- Embedding our People Proposition as a key driver of our employer brand and identifying areas that differentiate us from other employers. We have incorporated these areas into recruitment collateral, collated employee stories that reinforce these attributes and refreshed the careers section of our website. Development of the People Proposition involved engaging with employees across organisation to maintain alignment and authenticity. The People Proposition and brand is due for launch to internal and external audiences in September 2018.
- Continuing our Core Systems program to support our business strategy by delivering business tools that empower employees to work more efficiently. We completed the delivery and implementation of SuccessFactors (Human Resources module) and are seeing significant efficiency gains including improved employee self-service and access to Human Resources data. Our employees recognise improvements being made, with 100 per cent of employees recognising that we are improving systems and processes, and 81 per cent indicating that computer management systems are providing information to help them do their work (an increase of 35 per cent compared to FY17).
- Expanding the Stockland Leadership Framework curriculum to leverage virtual learning and to incorporate programs for the broader manager population. General Managers and Senior Managers who have been through the Senior Leadership Experience program have responded in Our Voice with a 90 per cent positive perception of learning opportunities available to them at Stockland.

- Restructuring our Employee Advocacy Groups to align with the demographics and interest of our employee base and enhance our focus on key priority areas. More information on our Employee Advocacy Groups is provided in the Diversity and Inclusion section of this document.

Talent attraction and retention

Rolling turnover[2]

We achieved our target of less than 12 per cent employee-initiated turnover for employees with Strong performance or above (turnover rate 10.9 per cent). Our overall turnover rate decreased to 16.5 per cent.

The table below details the proportion of our workforce that has left the business in the last 12 months. The table includes insights into our performance against priority metrics of turnover for employees with Strong performance and turnover for employees in their first year. A further breakdown of turnover rates by tenure is provided in our People Data Pack.

TURNOVER RATES BY TURNOVER TYPE

	FY18	FY17	FY16	FY15	FY14
Employee-initiated turnover[3]	14.1% (214)	15.1% (220)	14.9% (216)	13.8% (193)	15.0%
• Employee-initiated turnover for employees with Strong performance or above[4]	10.9% (97)	10.6% (104)	11.8% (143)	12.2% (150)	12.6%
Stockland-initiated turnover[5]	2.4% (37)	2.4% (35)	5.6% (81)	3.0% (42)	5.2%
Total turnover	16.5% (251)	17.5% (255)	20.5% (297)	16.8% (235)	20.2%
Turnover of employees in their first year[6]	14.6% (38)	20.1% (46)	22.6% (50)	18.8% (40)	31.0%

Employee development

Learning and development

A focus for FY18 was to enhance the governance of learning and development in our business, in addition to supporting individual employee training objectives. At the start of FY18 we implemented a new learning management system (LMS) which has already demonstrated greater efficiency in the delivery of e-learning modules and improved reporting and tracking functionality. There will be ongoing focus to further leverage the applications of the new system through the delivery of learning modules including the use of mobile devices and digital learning. The improved functionality enables our team to assign required learning to employees more efficiently and to track completion of this training to support our organisational learning and development objectives.

Another component of our governance review was to revise the operating model for learning and development across the business. The purpose and outcomes of the review were to provide greater consistency and clarity in learning and development activities and enable optimal use of our investment in technology upgrades.

Over the next year we will continue to evolve our approach to learning and development so it supports our overarching business objectives of agility, flexibility, collaboration, and customer-centricity.

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[2] Turnover presents the proportion of the Stockland workforce that has exited in the last 12 months. Rolling turnover is calculated by dividing [Total number of exits in the last 12 months] by [12-month average headcount]. All turnover data (including headcount) excludes those employed on a casual or fixed term basis.
[3] Employee-initiated turnover includes resignations and retirements.
[4] Stockland uses a four-point rating scale for performance. This metric assesses turnover for the three highest performance ratings. Employee Initiated For Strong Performance or above is calculated by dividing [Total number of exits in the last 12 months with a Strong performance or above rating] by [Employees with a Strong performance or above rating].
[5] Stockland-initiated turnover includes redundancy or termination by Stockland (e.g. terminated during probation or for cause).
[6] Calculated by dividing [Total number of employee or Stockland-initiated exits in the last 12 months of employees in their first year] by [12-month average headcount of employees in their first year].

Leadership development

The Senior Leadership Experience program continues to be our flagship leadership development offering with an additional three cohorts attending in FY18 and the remaining population of senior management scheduled to attend in the first half of FY19. Targeted at Senior Managers and General Managers, the Senior Leadership Experience program delivers an immersive leadership development experience across inclusive leadership, design thinking, change and wellbeing.

To further our objective of developing leadership skills at all levels, over the past year we reviewed our existing leadership development offering. Taking into account the current and future capabilities required for our business, the Stockland Leadership Framework will be used to map out the expansion of our leadership development offering. This holistic approach to the leadership framework maps out two new levels of leadership development as well as an updated new manager induction course – Managing@Stockland. This program provides leaders with people management responsibilities with the tools and access to information they need to successfully manage their direct reports and teams.

CASE STUDY
Technical on-boarding – Sales, Project Management and Development

Effective induction processes allow for new starters to quickly learn how to contribute to business objectives and where to access the information required to do their jobs. To enhance the consistency and effectiveness of training provided to new starters across our business, we developed a series of technical on-boarding courses for staff working in Sales, Project Management and Development.

The courses are designed to be delivered online to enable flexible and timely delivery for new starters whenever they commence employment. They contain three modules to cover an introduction to the relevant area of the business, an overview of customers and stakeholders, and a description of processes, tools and systems.

Our new Learning Management System enables our learning and development team to automatically assign the e-learning modules to all new starters in the relevant department. Managers can also assign the training to their teams regardless of whether they are new to the organisation or not.

We engaged subject matter experts from the business to collate the content so that all the important information for new starters would be available for them in these courses. The material will be reviewed and updated regularly, with ongoing collaboration between the business and Learning department on the content.

Hundreds of employees had completed the modules within the first three months and they have also proven popular for team members interested in learning about other areas and the way they operate.

Further benefits of the consistent application of the on boarding modules are as follows:

- Reduction in time spent by managers explaining the basics to new starters
- Greater awareness of new starters with the business and stakeholders
- Availability of information as a reference document for follow up.

Graduate development

Over the last three years we have progressively increased the size of our graduate program, with the aim of creating a pipeline of diverse talent and potential future leaders who will inject new ways of thinking into Stockland. Our graduate program commenced in 2016 with 12 graduates, which has expanded to 40 graduates plus 13 interns across our business in 2018. Our 2018 intake was evenly split between males and females, which supports our objectives related to gender diversity in the property industry more broadly.

We enhanced our graduate development program extending the structured learning components from 12 to 24 months. The graduates undertake a development journey over the two years with the view of developing capabilities such as innovation, collaboration, self-leadership and personal style to reflect our corporate values. One of the new components of the learning program is a career planning element designed to support graduates to move into other roles at Stockland at completion of their graduate program.

Stockland

CASE STUDY
Stockland recognised as top graduate and intern program

Stockland was recognised as a top employer for new graduates by both 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.

One of our key focus areas is to drive improvement in gender diversity across the property industry, and this starts by encouraging more women into our graduate program. As part of the 2018 intake we welcomed 18 graduates (50 per cent women and 50 per cent men).

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, including the Ervin Graf Scholarship, Stepping Into internship for undergraduates with disabilities, the Sydney University Lucy Program, and the University of NSW and the University of Technology Sydney internship programs.

Through these initiatives we not only seek to strengthen our graduate pipeline but also promote our employment brand and provide an engaging experience for a diverse range of participants.

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.

Over the next year we will 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.

Our recent team of graduates, together with our Executive Committee.

Diversity and inclusion

Our FY18 employee engagement results reiterated the importance our people place on diversity and inclusion, which continues to be a key driver for engagement and retention. The diversity and inclusion Index from our 2018 Our Voice survey has increased to 87 per cent (86 per cent in FY17), and continues to be seven points above the Australian National Norm.

Our Management Approach to Diversity and Inclusion reinforces our commitment to improve the diversity of our workforce and continue to build a culture of inclusion in our workplace. It outlines our aim to leverage the maximum potential of our people, irrespective of differences, such as gender, ethnicity, age, physical abilities, gender identity, gender expression, sexual orientation, family status, beliefs, and perspectives.

Stockland

Targets and metrics that guide our approach to diversity and inclusion include:

- targets for women in: management, senior management and job families with lower female representation.
- parental leave return rates targeting greater than 80 per cent return, as well growing the proportion of males taking primary carers leave
- target range for gender pay equity ratio
- gender diversity of our succession pipeline and talent population
- diversity and inclusion related indices from our annual Our Voice employee engagement survey
- flexible working practices through One Simple Thing.

Gender Diversity

We have strong and longstanding support for gender equity and are committed to maintaining a culture where we encourage and support career development and advancement of both males and females in our business. During FY18 our Managing Director has continued advocating for gender equity in the broader property industry as a member of the Property Male Champions of Change group. We were recognised for the fourth consecutive year as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for our active commitment to achieving gender equity in the workplace.

We have also rolled out the second year of our Senior Women's Sponsorship program with our Executive Committee, with two individuals receiving promotions since commencing the program.

Women in management

There has been a slight decrease in our percentage of women in management compared with FY17. We have identified the areas of the business contributing to this trend and in FY19 will work with them to understand how hiring practices across the business can support our gender diversity targets.

The percentage of women on our Executive Committee and at the senior management level have both increased. This has a positive impact on the business given past feedback about lower levels of female representations at these job bands.

WOMEN IN MANAGEMENT BY JOB BAND

	FY18		FY17		FY16		FY15		FY14	
JOB BAND	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN	TOTAL	WOMEN
Management	574	45.1%	555	45.9%	536	44.6%	515	44.7%	464	45.4%
• Executive [7]	11	27.3%	9	11.1%	9	11.0%	9	11.0%	7	0.0%
• Senior Management [8]	146	39.7%	152	38.8%	151	36.0%	138	36.0%	132	35.0%
• Manager	417	47.5%	394	49.5%	376	49.0%	368	49.0%	325	50.0%
Employee	1,116	66.3%	1,065	66.9%	1,010	67.0%	1,012	66.0%	938	66.0%
Stockland	1,690	59.3%	1,620	59.7%	1,546	60.0%	1,527	59.0%	1,697	59.0%

Rate of return from parental leave

Our rate of return from parental leave continues to be well above our target of 80 per cent.

Following the enhancement of our parental leave policy in FY17, there has been a near 50 per cent increase in men talking parental leave. This creates numerous benefits, as fathers/partners who take parental leave are more likely to stay engaged in that relationship as their children grow. If parental leave policies are available to each parent, it enables a more equal division of work between both parents by supporting better work life quality. Additionally, shared caregiving responsibilities contribute to a shortening of women's career interruptions having a positive impact on female workforce participation. Our enhancements to parental leave has resulted in our recognition as a Top 20 employer for Dads from Direct Advice for Dads[9] in June 2018.

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[7] Executive is Stockland's Executive Committee.
[8] Includes General Manager and Senior Manager job bands.
[9] "Revealed: The 20 Best Australian Workplaces for New Dads 2018" available at https://www.directadvicefordads.com.au/new-dads/best-australian-workplaces-new-dads-2018/

RATE OF RETURN FROM PARENTAL LEAVE

GENDER	TOTAL LEAVE	WITHIN 6 MONTHS				WITHIN 12 MONTHS			
		RETURNS	FY18 RETURN RATE	FY17	FY16	RETURNS	FY18 RETURN RATE	FY17	FY16
Male	20	18	90.0%	94.1%	94.7%	18	90.0%	94.1%	94.4%
Female	47	43	91.5%	83.2%	91.5%	43	91.5%	80.4%	79.2%
Overall	67	61	91.0%	84.7%	92.5%	61	91.0%	82.3%	84.1%

Gender pay equity

We aim to achieve gender pay equity within roles by considering an individual's positioning against the relevant market benchmark and comparing gender outcomes. This analysis is shown in the gender pay equity ratio table below. Our target is for a gender pay equity ratio of 100 per cent plus or minus three per cent across the company. This means that males and females would be paid the same for performing similar roles, with a small variance to allow for different levels of experience and other factors. Using the gender pay equity ratio overcomes the limitation of measuring pay equity based solely on average fixed pay by job band, which ignores different market values placed on different jobs.

GENDER PAY EQUITY RATIO

	FY18	FY17	FY16	FY15	FY14
Stockland	98.3%	98.6%	97.4%	97.2%	96.9%

Cultural diversity

The table below provides an overview of the cultural diversity of our employees. This data is sourced from our annual Our Voice survey, where respondents are able to voluntarily select the cultural group they identify with. It has been an ongoing priority to provide indigenous employment opportunities, and we explain our efforts regarding indigenous employment below when detailing progress of the Wellbeing and Cultural Inclusion Employee Advocacy Group, as well as in our Human Rights Deep Dive.

WORKFORCE BY CULTURAL BACKGROUND[10]

CULTURE	FY18	FY17	FY16	FY15	FY14
Australian	62.3%	56.2%	62.5%	56.2%	69.6%
Aboriginal and Torres Strait Islander	0.7%	0.4%	0.0%	0.4%	0.3%
European[11]	19.0%	25.4%	22.8%	25.4%	14.6%
Asian[12]	8.9%	9.3%	8.7%	9.3%	6.5%
Maori and New Zealand	1.8%	2.4%	2.3%	2.4%	2.3%
Middle Eastern	1.3%	0.8%	0.0%	0.8%	0.7%
South African	0.9%	1.0%	1.2%	1.0%	0.9%
North American	0.9%	0.6%	0.0%	0.6%	1.2%
Other	4.3%	4.0%	2.5%	4.0%	3.9%

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[10] Data presented as a percentage of respondents who chose to disclose their cultural background to the Our Voice survey, our employee engagement survey. Some employees choose not to disclose their cultural background. Responses to this survey are collated by a third party and completely confidential – we have no access to individual data points.
[11] Includes north-west, central, southern, eastern, British, Irish and Scottish.
[12] Includes south-east, north-east, southern and central.

Employee advocacy groups (EAGs).

Our Gender Equity, Flexibility and Disability, Parents and Carers, Wellbeing and Cultural Inclusion, and LGBTI+[13] EAGs are a key component of our approach to diversity and inclusion. This section focuses on key achievements of EAGs in FY18; more information on the EAGs' objectives and composition is provided in Our Management Approach to Diversity and Inclusion.

Gender Equity

The Gender Equity EAG have focused on the following initiatives in FY18:

- reviewing position descriptions to be based on providing capability and potential focus as opposed to experience required. This review is supported by the use of Gender Decoder[14] technology to identify opportunities for the use of gender neutral language in our position descriptions.
- supporting industry programs such as the Property Council Australia's 500 Women in Property which help facilitate industry networking.
- delivering Property Male Champions of Change focus groups in head offices to support gender equity discussions with employees. The outputs of the sessions provide insight into new manager toolkits to support gender equity education and ability to be ambassadors around the organisation.
- communication around the International Women's Day (March). This included "Tales from the Top", an event series which features guest speakers and members of our leadership team who share their personal leadership journeys and views.

Flexibility and Disability

The Flexibility and Disability EAG have focused on the following initiatives in FY18:

- supporting over 80 per cent of employees to nominate their One Simple Thing and thus mainstream flexible work arrangements across the business.
- delivering our annual employee engagement campaign called "Flex in Feb" to increase awareness and momentum around flexible working arrangements.
- achieving recognition as a runner-up in the 2018 Champion of Flexible Work Awards, recognising our progress in embedding flexibility and highlighting recent initiatives such as One Simple Thing, Flex in Feb and recent changes to our parental leave policy.
- continuing our involvement in Stepping Into, a program to connect skilled university students with disability into the business, with six students in 2018 participating and two students gaining permanent employment.

Parents and Carers

The Parents and Carers EAG have focused on the following initiatives in FY18:

- running an 'after hours' meeting campaign internally to highlight and raise awareness of the potential exclusionary impact to some employees from scheduling meetings outside of business hours or organising social events outside of work.
- reviewing our compassionate leave policy to recommend wording and provisions that align with industry best practice and meet the aims of best supporting carers.

Wellbeing and Cultural Inclusion

The Wellbeing and Cultural Inclusion EAG have focused on the following initiatives in FY18:

- piloting a resilience training course for different areas in the business to provide proactive stress management techniques and tools for employees and managers.
- contributing to the objectives of our second Reconciliation Action Plan targeting our assets to assist in the placement of Aboriginal and Torres Strait Islander people into meaningful employment.
- expanding the office procurement partnership with Nallawilli from paper to bottled water and tissues.

More information on our Reconciliation Action Plan and other initiatives related to indigenous rights is provided in our Human Rights Deep Dive.

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[13] LGBTI+ stands for lesbian, gay, bisexual, transgender, and intersex, with the '+' added to indicate inclusion of other diverse sexual orientations and gender identifies. In FY18 the LGBTI+ EAG was contained within the 'Wellbeing, Cultural Inclusion and LGBTI+' EAG, however the LGBTI+ EAG has been established as a standalone EAG from FY19 onward and so is indicated as such here.

[14] The Gender Decoder is an online tool that assesses job advertisements for subtle linguistic gender-coding that may discourage individuals from applying for a position (http://gender-decoder.katmatfield.com/).

LGBTI+

The LGBTI+ EAG was formed in FY18 and quickly established itself as a vital component of our diversity and inclusion agenda by focusing on the following initiatives over the year:

- establishing the group's purpose of promoting LGBTI+ inclusion in the workplace, providing advice to staff on LGBTI+ issues as required, enhancing our position as employer of choice and leveraging our presence to support LGBTI+ inclusion in the broader community.
- enhancing our anti-discrimination, benefits and leave policies by leveraging best practice language and terminology to foster inclusion.
- organising internal and external events focusing on LGBTI+ inclusion such as International Day Against Homophobia, Biphobia and Transphobia Day, Wear it Purple Day and Rainbow Laces.
- partnering with 'Pride in Diversity' employer support program for LGBTI+ workplace inclusion specialising in Human Resources, organisational change and workplace diversity.
- working across the business to draft and submit our first submission to the Australian Workplace Equality Index.

CASE STUDY
Benchmarking to enhance our LGBTI+ inclusion strategy

Being positive toward LGBTI+ employees is the ultimate litmus test for an inclusive culture, and contributes to a workplace that is inclusive of all employees, regardless of race/ethnicity, gender, age, disability, religion, sexual orientation, gender identity or intersex status. A positive attitude toward employees means they can be confident in bringing their whole selves to work, speaking their mind, and contributing their perspectives for the benefits of the business as a whole.

Over the past year, our LGBTI+ Employee Advocacy Group achieved substantial progress in formalising its strategy and benchmarking Stockland's position as an LGBTI+ inclusive employer.

The group led the completion of our first submission to the Australian Workplace Equality Index, which drives best practice for LGBTI+ inclusion in Australia and sets a comparative benchmark for Australian employers across all sectors.

In its first year existence, the LGBTI+ EAG launched an internal employee network, marked days of significance such as Wear It Purple Day, and enhanced the language used in some of our policies and procedures. These achievements were recognised by our Australian Workplace Equality Index result, which also recognised the explicit support provided by our executive and senior leaders for LGBTI+ inclusion at Stockland.

The LGBTI+ EAG is using the Australian Workplace Equality Index results to inform the forward strategy for LGBTI+ inclusion at Stockland. Priorities for the next twelve months include:

- targeted LGBTI+ inclusion and awareness training
- continuing to expand our internal employee network
- enhancing policies and procedures to provide for explicit inclusion of LGBTI+ individuals
- formalising the EAG strategy and action plan.

Members of the Stockland LGBTI+ EAG, along with Pride in Diversity Director Dawn Hough, upon lodging our first Australian Workplace Equality Index submission in March 2018.

Governance and Risk

FY18

Why this is important to Stockland

We adopt a rigorous approach to understanding and proactively managing the risks we face in our business. We recognise that making business decisions that involve calculated risks, and managing these risks within sensible tolerances, is fundamental to creating long-term value for all our stakeholders. As an investor of capital, we conduct risk assessments at critical decision points during the investment process to identify risks and to meet target returns. The Board has determined that Stockland will maintain a balanced risk profile to remain a sustainable business and an attractive investment proposition, in both the short and long term.

We acknowledge that sustainability leadership at Board and executive level is critical to integrating sustainability management and performance into our culture, processes and business relationships. We also recognise the importance of effective management and remuneration methods that promote and incentivise proactive approaches to sustainability both at Group and asset level.

Health and safety are important focus areas for our business, and we report on our activities and achievements related to health and safety in our Health and Safety Deep Dive.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] This document is to be read in conjunction with our published approach to governance and risk, available as part of our sustainability reporting suite at Our Management Approach to Governance and Risk.

Our key achievements

- Launched an enterprise-wide emergency communication system (xMatters) which allows us to deliver targeted communications and account for our people during a crisis event.
- Completed reviews on key risk areas including (but not limited to) contamination due diligence framework and supply chain management.
- Established document governance protocols including a records retention schedule and governance monitoring reports.
- Successfully completed a tender of our insurance brokering services resulting in improvements across our insurance program.
- Enhanced our climate risk awareness by completing a 2°C scenario analysis to understand risks and opportunities associated with the transition to a low carbon economy (see Climate Resilience Deep Dive).
- Completed a business-wide human rights issues review (see Human Rights Deep Dive).

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Enhance organisational resilience and crisis management processes by broadening the reach of training and awareness to state-based teams, and evolve the complexity of exercise scenarios.	Achieved	We enhanced our organisational resilience by completing crisis management simulation exercises and launching an enterprise-wide emergency communication system (xMatters).
Identify and complete risk reviews in priority areas (including but not limited to), direct procurement approval framework, supply chain management, and compliance	Achieved	We completed targeted risk reviews across the business including reviews of our contamination due diligence framework, supply chain management and data breach notification processes.
Continue to review and enhance our cyber security risk management plan to further protect our systems and data from cyber risks.	In progress	We have developed a cyber security plan and continue to progress actions to further control cyber related risks.
Conduct systems controls review to assess control gaps and risk in business process designs.	Achieved	Internal Audit (outsourced to EY) completed a review of the controls proposed for the new Enterprise Resource Planning (SAP) solution.

Future priorities

- Update Business Continuity Plans as part of our organisational resilience framework enhancements.
- Establish a Data Governance Framework, led by our Data Governance Manager, to support business operations and strategic decisions.
- Complete an independent review of our Risk Management Framework and associated processes.

FY18 performance and case studies

Governance of sustainability objectives and performance

Board Sustainability Committee

The Board Sustainability Committee met once in FY18, in November 2017, and the Sustainability Subcommittee met a further two times in September 2017 and June 2018. We also updated our Sustainability Committee Charter. The key areas explored in FY18 included a review of our strategy and priorities, an energy and utilities discussion and forthcoming legislation regarding modern slavery. Further information on these initiatives can be found in the Carbon and Energy Deep Dive and Community Deep Dive.

CARE Foundation Board

The CARE Foundation Board met four times in FY18, in August 2017, December 2017, March 2018 and June 2018. These meetings were used to review the CARE Foundation's financial position, planning for the year and activities completed with the Foundation's community partners, Touched by Olivia and Redkite. Further information on these initiatives can be found in the Community Deep Dive.

Risk management

Our approach to risk management is governed by the three lines of defence model described in Our Management Approach to Governance and Risk and our Risk Management Policy. We continue to evolve our approach and will continue to focus on driving greater and consistent accountability within our business.

Corporate risk, assurance and insurance

In FY18 we conducted risk workshops with each business unit and corporate function group to review and update existing risk profiles, including the identification of new and emerging risks. Consistent with our second line of defence approach to risk management (as outlined in Our Management Approach to Governance and Risk), the updated risk profiles also inform the key areas of focus for our internal audit partners. Our key risk register was reviewed quarterly with the Risk Committee.

We completed crisis management simulation exercises during FY18 focusing on a variety of scenarios including a data (cyber) breach, hostage situation, and reputational event. We also launched an enterprise-wide crisis communication system (xMatters) that allows us to deliver targeted communications to our people during a crisis event via multiple channels (email, SMS, voice message) and facilitates two-way communication allowing us to account for our people in real-time.

We conducted targeted risk reviews across the business including reviews of our contamination due diligence framework and supply chain management. The outcome of these reviews resulted in a deeper understanding of the risk exposure and the identification of control/process gaps and improvement opportunities to reduce risk exposure.

We continue to progress against actions identified in our cyber security plan to further control cyber related risks. This is an ongoing iterative process to strength our technology platform, refine operating processes and educate our people on cyber security controls.

Compliance

Our Compliance team develops and implements policies, procedures and guidance to assist the business assess and remediate compliance/near-miss incidents. In FY18, we revised our Data Breach Response Procedure to include obligations and procedures required by the Notifiable Data Breach Scheme (Part IIIC Privacy Act 1998) which came into effect on 22 February 2018. We launched an awareness campaign coinciding with the publication of our revised procedure. The campaign educated our staff on how to identify and escalate potential data breaches for assessment by the Office of the Australian Information Commissioner (OAIC) and communication to impacted individuals if the incident constitutes an eligible data breach. The awareness campaign included email alerts, intranet articles, a campaign on Yammer (our internal social network), online mandatory training for all employees and face-to-face training for selected business units.

Compliance with real estate trust accounting obligations was also a key focus area. In particular, we worked closely with front line staff to strengthen the governance framework including revising our risk and controls document, our Trust Accounting Policy and respective training. We continued to provide specific compliance training on areas including the Stockland compliance framework, managed investment schemes, privacy and real estate licensing.

Internal audit

In FY18, our internal audit function (outsourced to EY) completed three internal audits across key business areas including investor reporting, Logistics and Business Parks (audit currently in reporting phase) and WA Trust Accounting Control Framework. Rolling audits continue across our Retail Town Centre and Retirement Living portfolios, as well as our development projects.

We continued the review of the controls for our future state business processes (as part of the Core Systems program). The Core Systems team is currently working on addressing the controls gaps (where identified). EY will review these before go-live.

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Health and Safety

Why this is important to Stockland

At Stockland, the health, safety and wellbeing of our employees and our customers is an important focus. We are committed to providing a safe environment for everyone who works with us or attends our workplace.

Millions of people access our assets each year and rely on us to keep them safe. Each asset presents unique security and safety risks. We commit to delivering communities and assets where our residents, visitors, tenants and shoppers feel safe at all times.

We foster a culture where health, safety and wellbeing are core values and continuous improvement of our safety performance is part of our normal business practice. We also place a great focus on employee health and wellbeing. Stress and anxiety significantly impact job performance, employee satisfaction and retention and ultimately affect the achievement of organisational goals and objectives.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] The material in this Deep Dive is supported by a wider collection of performance metrics contained in our People Data Pack.

This Deep Dive is to be read in conjunction with our published approach to health and safety, available as part of our sustainability reporting suite at Our Management Approach to Health and Safety.

Our key achievements

- Reduced our employee lost time injury frequency rate (LTIFR) to 1.6 (from 1.8 in FY17), our lowest rate in seven years.
- Implemented our Sights on Safety initiative, which focused on reducing incidences of service strikes and plant rollovers. This initiative was selected as a finalist for our Chairman's Award for Innovation.
- Developed a Group-wide Design Risk Register capturing lessons learned from incorporation of risk management into project designs.
- Reviewed and updated over 15 Work Health and Safety (WHS) contractor management procedures and supporting documents to simplify our procedures.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Continue to implement our Contractor Management Strategy through consultation, training and awareness.	Achieved	We completed our annual face-to-face contractor management training program across all states. We reviewed, refreshed and communicated our Contractor Management procedures to further simplify our procedures and the related supporting documentation.
Implement a vehicle impact mitigation guideline across all asset classes to minimise the likelihood and consequence of accidental or malicious incidents caused by a motor vehicle impact.	In progress	We are developing an integrated Vehicle Impact Mitigation Guideline, in consultation with an external security firm, that will supersede guides previously developed specifically for our Retirement Living and Commercial Property portfolios.
Review design risk management processes and further embed risk management protocols into design standards.	Achieved	We have completed the development of a group wide Design Risk Register capturing design lessons learnt. Design risk management will continue to be a strategic focus area in FY19.
Review the current Operational Risk Audit and Assurance program with intent to expand the scope of the assurance program through the development and implementation of deep dive focus areas.	Achieved	We have completed the audit program review and will be following the revised model in our FY19 audits and onwards (see below for further detail).
Develop guidelines to support our minimum security standards across all business units.	In progress	We developed a national security and public safety strategy with a specific focus on protecting people from harm, denying unauthorised access and protecting property from damage.
Complete the transition to a new SAP learning management system.	In progress	We have nearly completed configuration of the respective Environment, Health and Safety module. We expect the new module to be launched in FY19.

Future priorities

In addition to the priorities in progress above, our future priorities include:

- Review of our health and safety management system (including a gap analysis in line with the new ISO45001 standards).
- Implementation of the next phase of Sights on Safety focusing on working at heights.

FY18 performance and case studies

Employee health, safety and wellbeing

Lost time injuries

We continue to see a positive trend in our lost time injury frequency rate (LTIFR), with our FY18 result of 1.6 representing the lowest figure we have achieved in the last seven years. This reduction has occurred at the same time as an increase in lower-impact medically treated injuries because these injuries have not lost time (as was the case in previous years).

Notably, we have also seen a reduction in our average lost day rate, that is, each LTI this year resulted in less time lost than LTIs of the previous year (see People Data Pack). This result can be attributed to the implementation of our injury management strategy from the previous year, including refresher training in workers' compensation and injury management, as well as an increased focus on reducing incident reporting times. Also contributing to the result has been the engagement of injury management specialists to assist in the management of work related injuries (including stress).

KEY HEALTH AND SAFETY METRICS

	FY18	FY17	FY16	FY15	FY14	FY13	FY12
Total average workforce [2]	1,689	1,578	1,507	1,438[3]	1,695	1,736[4]	1,384
Total hours worked (million)	3.08	2.83	2.75	2.53	2.97	3.03	2.42
Number of lost time injuries (LTI)[5,6]	5	5	11	12	18	17	18
Lost time injury frequency rate (LTIFR)[7]	1.6	1.8	4.0	4.7	6.1	5.6	7.4

More health and safety metrics are provided in the People Data Pack.

Wellbeing

Our wellbeing score (as measured in the annual employee Our Voice survey) was 75 per cent, which is consistent with our FY17 score and is four points above Willis Towers Watson's Australian National Norm (ANN) and two points above their Global High Performing Companies Norm. We also scored nine points better than the ANN for the question "I often feel anxious at work" (where higher scores against the ANN equate to lower feelings of anxiety) and five points above the ANN for the question "My work gives me a sense of personal accomplishment" which increased by one point in FY18.

An area impacting wellbeing scores is work systems and processes. We are addressing this through our Core Systems Program, and expect our score to improve as the Core Systems Program continues to be rolled out in FY19. Please refer to the Employee Engagement, Development, Diversity and Inclusion Deep Dive for further information on the Core Systems Program.

Our ongoing approach to workplace flexibility, centred on our One Simple Thing initiative, seeks to enhance work-life balance and general wellbeing. Refer to the Our Approach to Employee Engagement and Employee Development for further information on this initiative.

We continue to develop and implement training, tools and methods to maintain employee wellbeing. In FY18 we piloted new training on proactive wellbeing management to select groups of managers, and in FY19 we intend to deliver this training to our Executive Committee and General Managers, followed by a broader roll out across our business.

Health and safety initiatives

Sights on Safety

'Sights on Safety' is an initiative where we collaborate with our construction project delivery partners to identify and implement measures to help reduce the number of serious incidents occurring at our development sites. In December 2016, we commenced a series of joint discussions with our development contractors in each state to embed safety behaviours and advance best practice in the construction industry, with a particular focus on plant rollovers and services strikes.

Our focus in FY18 has been to communicate and implement agreed standards for mitigating the risk of plant rollovers and service strikes across our development projects. Since starting the Sights on Safety initiative, we have experienced a notable reduction of rollover incidents. Through engagement with our industry partners, we will continue to embed agreed standards and practices throughout FY19 and beyond.

Through the end of FY18, we have held over 20 state meetings and engaged over 200 construction delivery partners to form collaborative state-based Sights on Safety committees which were represented by 46 contractors in 2017 increasing to over 100 in 2018.

We continue to evolve the Sights on Safety initiative to expand its focus on known key risk areas. From review of construction industry data[8], we identified working at heights to be a high risk activity that has resulted in 359 fatalities within the construction industry between 2003 and 2015. As a result, we have selected working at heights as the next Sights on Safety forum topic to be progressed in FY19.

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[2] Total average workforce uses monthly employee totals rather than the end of financial year figure used in Our People metrics.
[3] Total average workforce in FY15 reduced as a result of the sale of the Aged Care business in FY14.
[4] Total average workforce was updated in FY13 to include Aevum payroll employees.
[5] Includes injuries incurred as a result of a work related incident. Does not include commuting/recess injuries.
[6] An injury resulting in the loss of one or more shifts. Not including injuries requiring first aid treatment only.
[7] Number of LTIs / total hours worked from July 2016 to June 2017 x 1,000,000 hours.
[8] Construction Industry Profile 2015 – Safe Work Australia

Work health and safety management systems review

In line with our commitment to continually improve work health and safety processes, we engaged an external consultant to review our Work Health and Safety (WHS) management system. The audit included a desktop review of our WHS management systems and site verification assessments at three assets (Retirement Living, Retail Town Centre and Residential). The review concluded our WHS management system is well developed, implemented and certifiable to AS4801, the Australian Standard upon which it was modelled. We have reviewed improvement opportunities arising from the audit, which have largely been incorporated into strategic plans during FY18.

We have also undertaken a thorough review of our WHS Contractor Management procedures. The focus of this review was to simplify our procedures and supporting documentation in line with our external legal advice. Following consultation and discussion with representatives from across the business, through workshops, these documents were updated and are available for use with additional training provided (face-to-face and online).

Operational Risk Assurance Program Review

We introduced our Operational Risk Assurance Program in 2013 to provide a systematic approach to verifying the implementation of our operational risk systems across our assets nationally. The program consists of annual audits undertaken in three progressive phases:

(1) Gap Analysis (identify risk procedure / knowledge gaps)

(2) Compliance Audit (verification of implementation of a risk aware culture)

(3) Full Systems Audit (verification of risk processes embedded as business as usual).

At the conclusion of each phase, we calculate a score for each asset based on the number of actions (gaps) identified.

In the time since introducing the program, most assets have now completed a Full Systems Audit. As a result, we revised the program framework (presented below) to enable continued assessment and enhancement of our assets. We introduced an Initial Self-Assessment (Phase 1) as well as a cyclical approach to long-term assurance for assets and projects (Phases 4 and 5). In addition, we introduced deep dives (at any point during the audit lifecycle) which allows assurance of identified high risk areas (e.g. Bushfire Preparedness reviews undertaken in 2017). Our assets are in various stages of this process throughout any given year, with our Group Risk team providing support with assessments and understanding how to use the results to drive continuous improvement.

REVISED OPERATIONAL RISK AUDIT MODEL

Bushfire preparedness review

Bushfires represent a key risk for Stockland's assets in suburban and rural areas. An initial review in September 2017 assessed our exposure and verified appropriate controls relating to preparedness were in place for our assets and developments in high risk bushfire prone areas. Improvement opportunities were identified and have been addressed.

Design risk reviews

We completed a review of our processes that support our design teams to incorporate risk management into their project designs, with the intent of helping to:

- prevent design-related incidents and injuries
- reduce the need for retrospective capital expenditure
- streamline the design review process through development of new tools.

We also completed the development of a Group-wide design risk register capturing design lessons learnt from projects across our business units. This register was developed following Group wide consultation with key business unit representatives from design, development and operations (over 100 employees across four states). We also commissioned external legal advice to inform alignment of our processes with our safety in design obligations under WHS legislation. This will continue to be a focus area for FY19.

CASE STUDY
Safe Work Week: Safety Shares

In 2016, Mark Steinert, Managing Director and CEO, introduced Safety Shares, the concept of commencing internal meetings with a safety or Stockland value share and have gone to become a standard agenda item across meetings within the company. Our Safe Work Week theme for FY18 (October 2017) built on the 'Safety Share' initiative, reinforcing a positive safety culture through communication and collaboration of safety initiatives. We encouraged all employees to post their safety shares on Yammer, our internal social network, to share learnings and practice enhancements with colleagues. The Safe Work Week activation generated over 80 conversations and 100 pictures being posted during the week. The top safety share from each state had their safety share presented at Employee Roadshows over the following month.

The top safety share from Western Australia raised awareness of the importance of traffic management at events in our residential communities, such as the launch of our Jungle Park at Whiteman Edge (WA).

Customer safety and security

Our approach to customer safety and security comprises a combination of physical security measures, monitoring/surveillance systems, and systems for notification, awareness, and training. More detail on this approach is provided in Our Management Approach to Health and Safety.

Updates to strategies and guidelines

Over the past year, we developed a national security and public safety strategy with a specific focus on protecting people from harm, denying unauthorised access and protecting property from damage. This national strategy encompasses the minimum-security standards that we developed in FY17. Supporting guidelines have been completed for key security elements (e.g. CCTV and body mounted cameras) with further guidelines to be developed in FY19.

Following the completion of vehicle impact assessments across our operational assets (Commercial Property and Retirement Living portfolios), we are developing an integrated Vehicle Impact Mitigation Guideline in consultation with an external security firm. This guideline will supersede business specific guides previously developed for Retirement Living and Commercial Property portfolios. Vehicle impact mitigation continues to be integrated in design risk reviews for new developments.

Body mounted cameras

Recent enhancements in digital technology have allowed industry to further advance its monitoring and surveillance capabilities through the use of devices such as body mounted cameras, which are wearable recording systems to deter aggressive behaviour and capture evidence. Although these devices are not traditionally used in retail environments (more commonly used in law enforcement), we have implemented body mounted cameras at a selection of our retail town centres to assist in managing localised crime and antisocial behaviour issues. Our national security and public safety strategy contains guidelines about body mounted cameras to assist these centres in managing the associated privacy, compliance, disclosure and data management obligations.

Residential camera pilot

We completed a review of the use of cameras and visual display boards at our development projects at three of our residential communities: Newport (Qld), Sovereign Pocket (Qld), and Completed Homes at Highlands (Vic). The review occurred from March 2017 through to November 2017 and focused on use of CCTV and visual display boards to assist with safety performance (including incidents of injuries and/or illnesses) and to reduce incidents of workplace theft and damage on our development sites. The overall feedback from the contractors involved in the pilot at these sites was positive.

In FY18, the project was extended to include a review of site safety and security controls related to residential sales offices, Townhomes developments and public open spaces in maintenance phase.

Following the pilot, we have committed to install CCTV at selected residential sales offices and to take a risk-based approach for installation of technology controls for new development projects, parks and display villages. We will require contactors to provide a returnable schedule detailing site specific security controls, which will form a component of the tender review process prior to award of contract.

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Human Rights

FY18

Why this is important to Stockland

In accordance with the UN Guiding Principles on Business and Human Rights, we are committed to respecting and promoting human rights consistent with the International Bill of Rights (including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and with the eight fundamental Conventions of the International Labour Organisation.[1]

We operate wholly within Australia, a country with a long history of democratic government, judicial independence and high standards of governance and with legislative regimes relating to human rights including labour standards, privacy and non-discrimination. Our commitment to both respect and promote human rights underpins our business activities and stakeholder relationships, and this is appropriately reflected in our human rights policies and procedures. We do not tolerate behaviour that is in breach of the law or our corporate policies.

This Deep Dive is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[2]

This Deep Dive is to be read in conjunction with our published approach to human rights, available as part of our sustainability reporting suite at Our Management Approach to Human Rights.

Our key achievements

- Completed an organisation-wide human rights issues review.
- Reached the midpoint of our Innovate Reconciliation Action Plan, having completed 28 activities and substantially progressed a further 21 activities within the plan.
- Created a LGBTI+ Employee Advocacy Group to focus on LGBTI+ inclusion, and completed a submission to the Australian Workplace Equality Index to benchmark our inclusion efforts.
- Worked in collaboration with Destination NSW, Vivid Sydney, Cushman & Wakefield and other corporates as a light contributor for the first inclusive playspace, called 'Tumbalong Lights', at the Vivid Sydney festival.
- Continued our commitment to inclusive play by building six new inclusive playspaces in collaboration with our Foundation partner Touched by Olivia.
- Included quiet rooms in all FY18 redevelopments, including Stockland Green Hills (NSW), Stockland Wendouree (Vic) and Stockland Hervey Bay (Qld) and built new adult change facilities for adults with disabilities at Stockland Green Hills and Stockland Wendouree.
- Confirmed 11 of our standard Townhomes home plans and 10 of our Retirement Living home plans to be compliant with Livable Housing Australia (LHA) Silver design standard.

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[1] These conventions address freedom of association, collective bargaining, forced labour, minimum age, worst forms of child labour, equal remuneration and discrimination (employment and occupation).
[2] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/).

In this document you will find:

FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Undertake an organisational human rights risk review.	Achieved	We undertook an organisation-wide human rights issues review.
Continue to implement our Innovate Reconciliation Action Plan through FY19.	In progress	We have continued to implement activities from our Innovate Reconciliation Action Plan, which is scheduled for renewal in FY19.
Incorporate accessibility audit plans into operational procedures for our Commercial Property assets.	In progress	We have conducted accessibility audits at Stockland Bathurst (NSW) and Stockland Merrylands (NSW) and are incorporating the findings into operational plans.
Develop a scorecard and undertake audits to assess accessibility and amenity in our retail town centres in order to develop action plans for staged improvements.	Achieved	We developed a scorecard based on accessibility audits that we conducted at Stockland Bathurst (NSW) and Stockland Merrylands (NSW).
Seek opportunities to incorporate adult change facilities, quiet rooms and inclusive play space design into existing and future asset planning.	Achieved	We built five new inclusive playspaces and incorporated quiet rooms and adult change facilities into our retail town centre redevelopments.
Work towards a minimum LHA Silver standard (Design certified) for 20 per cent of our Townhomes and Completed Homes by FY20.	In progress	We delivered a 29 per cent of built form product designed to LHA Silver design standard at Brightwater (Qld), and 21 per cent at 'Visage' at Calleya (WA).
Work towards a minimum LHA Silver standard (design certified) for 100 per cent of all new retirement living developments by FY20.	In progress	All new retirement living developments active in FY18 are designed to be 100 per cent compliant with LHA Silver design standards as a minimum.
Deliver a minimum of two new display homes in all new residential communities to LHA Silver standard by FY20.	In progress	Over the reporting period, three projects with display villages contained at least two homes designed to LHA Silver design standard, including Aura (Qld), North Shore (Qld), and Willowdale (NSW).
Offer LHA design options from at least two builders in all new residential communities by FY20.	In progress	Builders offer LHA design options at six of our residential communities in development during the reporting period, including Willowdale (NSW), Elara (NSW), Aura (Qld), North Shore (Qld), Calleya (WA), Highlands (Vic).
Continue to pilot projects with LHA Gold design certification and measure the market demand and feasibility by targeting one new LHA Gold retirement living village.	Not achieved	Currently we are not piloting LHA Gold certification in our projects as we need to further understand what is required to achieve this target and consumer expectations. We strive to deliver LHA Silver across all new retirement living developments as a minimum.

Future priorities

- Develop a formal response to the recommendations of the human rights issues review and use FY19 to commence implementation of agreed recommendations.
- Create an industry survey tool in collaboration with our industry peers to assist with transparency in the supply chain around ethical sourcing, in an effort to reduce/prevent the incidence of modern slavery (key priority resulting from human rights issues review).
- Complete a review of our organisational culture with regard to Stockland's values, strategy and societal expectations (key priority resulting from human rights issues review).
- Complete key work for our 2019 Reconciliation Action Plan, including reviewing opportunities for enhancing our reconciliation commitment.
- Undertake retail town centre accessibility audits in FY19 in at least six additional retail town centres to assess the level of accessibility and amenity across the Retail Town Centre portfolio.
- Build at least six new inclusive playspaces across our retail town centres and residential communities in FY19.
- Develop a learning module in collaboration with our builder partners to support LHA across our Residential developments.
- Develop a communication and education program to engage customers and residents on the nature and benefits of LHA designs and accessibility, using Sustainable Drive at Highlands as a pilot.

- Increase our score on the Australian Workplace Equality Index by continuing to enhance LGBTI+ inclusion in our workplace.

FY18 performance and case studies

Corporate human rights

We have continued activities focused on our human rights approach, including consideration of emerging legislation on modern slavery. We have participated in industry awareness sessions with the Property Council and Green Building Council, as well as industry forums to help develop industry approaches to be tackle these issues.

Additionally, our review on key issues for our workforce led to the creation of a LGBTI+ Employee Advocacy Group (lesbian, gay, bisexual, transgender, intersex and other diverse sexual orientations and gender identities). The Group's purpose is to promote LGBTI+ inclusion in the workplace, provide advice to staff on LGBTI+ issues as required, and enhance Stockland's position as employer of choice. In FY18 the Group benchmarked our inclusion efforts by making a submission to the Australian Workplace Equality Index. This is further described in the Employee Engagement, Development Diversity and Inclusion Deep Dive.

We completed a human rights issues review that extended to 100 per cent of our operations. It leveraged external expertise to benchmark the rights articulated in our Human Rights Policy against human rights issues facing the property sector. The review highlighted risks and opportunities based on a review of key documents and interviews with our staff who control frameworks for human rights through their work in governance, risk, sustainability and procurement.

The review identified 11 risk or opportunity areas, and validated supply chain as the highest human rights risk for our business. An ongoing area of review is our assessment of risk in our supply chain against What Stockland Expects from Its Suppliers. We plan to collaborate with industry peers to create an industry survey tool to assist with transparency in the supply chain around human rights concerns.

The review also identified opportunities for us to enhance our diversity and inclusion activities, such as:

- completing a review of our organisational culture with regard to Stockland's values, strategy, and societal expectations
- enhancing our commitment to reconciliation in the development of our next Reconciliation Action Plan
- broadening the focus of our accessibility strategy to explicitly consider inclusion beyond minimum physical requirements of physical infrastructure.

Indigenous rights

We are at the mid-point in our Innovate Reconciliation Action Plan (RAP), which is our second RAP. Our RAP contains 61 actions spread across 16 focus areas. We have completed 28 activities to date, and a further 21 activities are substantially progressed. Our activities over the past year have focused on programs and initiatives in the areas of health and wellbeing, education and community connection to help shape thriving communities that respect, value and celebrate Australia's First Peoples. Some of the key achievements include:

- working with the Australian Business Community Network to sponsor four Indigenous scholarships for high school students and to pair them with Stockland mentors. We committed to a further two scholarships to be announced at the end of 2018.
- committing to pilot indigenous internships through Career Trackers. Career Trackers is an organisation which provides a meaningful change both from an education and employment perspective for Aboriginal and Torres Strait Islander students, with 90 per cent of participants securing ongoing employment through a Career Trackers partner.
- commencing partnership with Workstars, an indigenous recruitment partner focused in South East to Central Queensland, targeting opportunities at our assets and facilitated through our in-house recruitment provider Careers@Stockland. The program supports successful placements by providing post placement support, such as mentorships for new hires to support settling in.
- partnering with National Centre of Indigenous Excellence to develop an indigenous temporary workforce to assist in catering and boardroom dining.
- procuring over $3.2 million from Indigenous suppliers since 2014.
- developing project-level RAPs at our retail town centre development projects on Queensland's Sunshine Coast aimed at providing a benefit to the local indigenous community through arts and culture, employment and storytelling.

Accessibility and inclusion

Our Accessibility and Inclusion Strategy was developed to respond to the needs of people living with disabilities within and across our communities and to further integrate standards (such as those published by Livable Housing Australia and Changing Places) across our portfolio of assets.

Commercial Property

We remain focused on accessibility in our Commercial Property portfolio, and over the past year we developed an accessibility scorecard based on audits we conducted at Stockland Bathurst (NSW) and Stockland Merrylands (NSW). The scorecard will be used in future audits to assess established assets for opportunities to voluntarily upgrade their accessible and inclusive features.

CASE STUDY
Accessibility and inclusion in our retail town centres

Our retail town centres serve as social hubs of the community and provide an opportunity for residents to not only shop, but also to interact and socialise with friends and family. Over the last year, we have delivered a range of initiatives and features in our retail town centres that focus on accessibility and inclusion.

Following the opening of two dedicated quiet rooms at Stockland Shellharbour shopping centre in December 2016, we opened three additional quiet rooms at Stockland Hervey Bay (Qld), Stockland Green Hills (NSW) and Stockland Wendouree (Vic). The quiet rooms are designed to create a safe place for parents, carers and children with Autism Spectrum Disorder (ASD) and for adults with dementia, providing a calm, low sensory environment, which can be used as a retreat away from the busy shopping centre.

According to Anne Tudor from Ballarat Dementia Alliance, "a shopping centre is not an easy place to navigate with dementia. Just knowing this space will be there is going to make an enormous difference."

Stockland Wendouree centre manager Stevie Wright said "the community response to our quiet room and adult change facilities has been so positive, and we are delighted to be able to have such an impact on community wellbeing."

We also delivered an adult change facility at Stockland Green Hills, which is the first adult change room in the Maitland area to assist people in the community with disabilities. The new room includes an adjustable change table and ceiling hoist to make it easier for people with disabilities to use the bathroom.

Maitland mother Susie Lane, whose daughter Claire has a form of epilepsy, was instrumental in the centre installing the facilities. Ms Lane said she would have to lay Claire on the floor to help change her, or take her back to their van, which offered no privacy. "The adult change room allows me to address my daughter's needs with dignity and privacy, something which every person deserves. We're so grateful."

The Green Hills adult change facility is our third such facility with Stockland Wendouree and Stockland Nowra (NSW) also providing one.

In addition to incorporating a quiet room and adult change facility, the Stockland Green Hills redevelopment provided two inclusive playspaces. Designed in collaboration with the Touched By Olivia Foundation, the playgrounds allow all children to play together, including those with physical disabilities, vision, hearing and mobility impairments, or spectrum disorders such as autism.

We have now built 11 Touched By Olivia inclusive playspaces at our retail town centres, including Stockland Shellharbour (NSW), Stockland Baulkham Hills (NSW), Stockland Forster (NSW), Stockland Point Cook (Vic), Stockland Wetherill Park (NSW), Stockland Rockhampton (Qld), Stockland Green Hills and Stockland Wendouree, and have plans to build at least four more inclusive playspaces at our retail town centres over the next year.
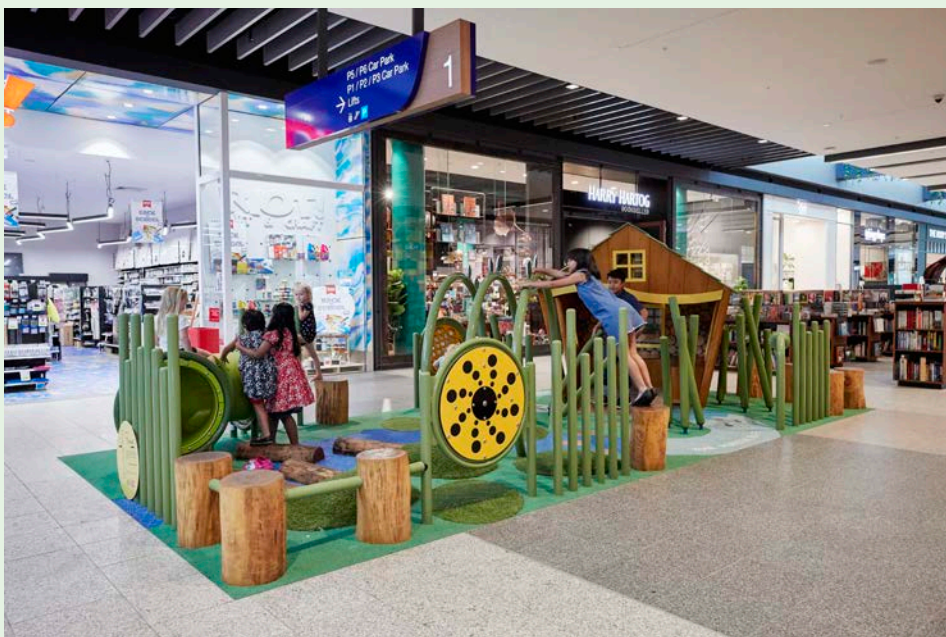
Enjoying our new inclusive playspace at Stockland Green Hills (NSW).

Communities

Within our Communities businesses, we delivered an inclusive playspace at our Sienna Wood (WA) residential community and we have been working to overcome challenges associated with delivering LHA homes in situations where we are not in control of the product being delivered. To address this, we have worked to have 11 of our Townhomes products LHA Silver design certified under preliminary assessment. In our Retirement Living portfolio, 10 of our standard Retirement Living home types have been LHA Gold design certified under preliminary assessment. By designing standard products to be LHA Silver compliant, and by working with Development teams to incentivise builder partners to design and construct their own homes to be compliant, we are expecting a growth in the number of homes built to LHA standards as we deliver these projects. We will pilot this initiative at Cloverton (Vic) and Paradise Waters (Qld) display villages in FY19.

In addition to the certification of our standard plans, we continue to work toward our FY20 targets for delivery of LHA certified display homes and options from our builder partners. Some highlights include:

- our Innovation House at North Shore (Qld), built to LHA Gold design standard, is currently being used by our sales teams as a means of engaging prospective residents on LHA and sustainable living more broadly
- our Calleya (WA) display village offers LHA design options from five home builders, and we constructed 49 Townhomes and nine Completed Homes compliant with LHA Silver design standard
- at Aura (Qld), North Shore (Qld) and Willowdale (NSW) in Sydney, several builders have LHA certified display homes available in our display villages so prospective home owners can understand the range of LHA initiatives available for inclusion in their own home designs.

Collective bargaining

We support the right to exercise freedom of association and collective bargaining and are not aware of any operations or suppliers in which these rights are at risk. In FY18, approximately five per cent of our employees were covered by collective bargaining agreements. These agreements contain provisions for health and safety protections during dispute and/or grievance processes and in some cases contain commitments to maintain safe and healthy work environments. More broadly, our Work Health and Safety Policy applies to all employees which provides commitments to a safe and healthy work environment.

Corporate policies breaches and grievances

We monitor compliance with corporate policies and report any breaches, as outlined below:

- **employee conduct** – there were 12 substantiated breaches of our Code of Conduct in FY18 involving inappropriate behaviours in the workplace resulting in five terminations of employment, six formal warnings and one verbal warning.
- **fraud and corruption** – there were no substantiated breaches of our Fraud and Corruption Policy in FY18.
- **discrimination** – there were no substantiated incidents of discrimination in FY18.[3]
- **privacy** – in late FY18, a former provider of a recruitment system to Stockland, PageUp, advised that a data breach had occurred across its platform. We ceased using PageUp for new recruitment on 1 July 2017 however this data breach potentially impacted all organisations' candidates that had been recorded in PageUp. We have advised all candidates recorded in the database of the potential data breach with appropriate information.
- **grievances** – There was one concern raised by a whistleblower on a confidential basis to one of our Whistleblower Protection Officers in late FY18. This matter was under investigation at 30 June 2018.

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[3] This includes incidents involving the rights of indigenous people.

CASE STUDY
Improving the accessibility of Australian homes

We acknowledge that we can play a role in providing homes that are well designed and provide a better way to live, throughout all stages of life. To support this objective, we use the Livable Housing Australia (LHA) rating scheme that seeks to improve the accessibility of homes for all Australians. LHA certified homes have features that enable them to adapt to assist their occupants' needs over time. Features include wider doorways, additional support to bathroom partitions to enable grip rails to be fitted and hobless shower cubicles to facilitate access for semi-ambulant and wheelchair bound occupants.

Accessible homes are important for all stages of life, including young parents with prams, residents who suffer injuries such as broken legs, and older occupants requiring mobility aides.

To increase the number of LHA homes offered to our customers, our design team has confirmed that 11 of our standard Townhomes home plans and 10 of our Retirement Living home plans are compliant with LHA Silver design standards. By reviewing our standard product range, our Design team was able to realise a home's potential to meet the LHA requirements without increasing the cost to customer or making major design changes.

To further enhance the number of homes that we can influence, we are working with our builder partners to encourage them to design and build LHA homes within our developments and across Australia. We do this by establishing project targets and delivering LHA homes through builder partners at display villages and as Completed Homes. By focusing on LHA at our developments we are working to deliver our target of 20 per cent of Stockland-designed homes in our projects to be LHA Silver design certified.

Plan of a standard home design showing LHA accessibility features

APARTMENT / EMPIRE, PERRY LAKES – READY FOR CONVERSION TO AS1428

Circulation space to main bedroom allows for wheelchair access

Vanity can be removed to widen doorway

Large bathroom can be modified for wheelchair access

Adequate circulation space in living area

Level access to shower

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Stakeholder Engagement

FY18

Why this is important to Stockland

We develop and maintain strong relationships with a broad range of stakeholders in order to acknowledge and respond to their perceptions, needs and concerns. Across our diverse business, we engage with stakeholders on important life decisions, whether it is deciding where to lease space for their business, buying a first home, or deciding where to live in retirement. We practice open, honest, two-way communication and recognise the mutual benefits for both our business and our stakeholders that result from genuine engagement.

Our approach to stakeholder engagement encourages regular dialogue with:

- securityholders and the investment community through our Investor Relations team
- media through our Stakeholder Relations team
- governments and agencies at all levels through both our Government Relations team and our project and asset teams
- employees through various internal communication mechanisms
- customers and community partners through our Commercial Property and Communities businesses.

This Deep Dive is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] This Deep Dive is to be read in conjunction with our published approach to stakeholder engagement, available as part of our sustainability reporting suite at Our Management Approach to Stakeholder Engagement.

This document details our priorities, progress and achievements in relation to our engagement with the investment community, media and government stakeholders. Please note that annual performance reporting related to other stakeholder groups are provided in separate documents:

- Employee Engagement, Development, Diversity and Inclusion Deep Dive
- Customer Engagement and Experience Deep Dive
- Community Deep Dive
- Supply Chain Deep Dive.

Our key achievements

- Implemented state-based stakeholder engagement plans reflecting our best practice stakeholder engagement approach across the business.
- Delivered three state training workshops to our employees, involving presentations from key government and industry stakeholders and practical skills training.
- Partnered with government to profile our investment in sustainability and community initiatives, in particular our investment in rooftop solar installations at our retail town centres across Queensland, New South Wales and Victoria.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Deliver stakeholder engagement workshops for employees in NSW and Western Australia with external government stakeholders.	Achieved	We completed workshops in NSW, Western Australia and Queensland, with senior government and industry stakeholders in attendance.
Draft a stakeholder education program for our operational and asset managers.	Achieved	We drafted a manual for stakeholder engagement and delivered it to operational teams for completion and implementation.
Maintain stakeholder engagement plans for all active development projects.	In progress	All active development projects have a stakeholder engagement plan either in development or in place.

Future priorities

- Deliver stakeholder engagement workshops for employees in Queensland and Victoria with external government and industry stakeholders.
- Continue to deliver and update stakeholder engagement plans for all active development projects.
- Review our Government Relations Policy and stakeholder engagement framework to maintain alignment with best practice.

FY18 performance and case studies

Our focus in FY18 was to enhance the capabilities of project teams to plan and deliver engagement activities that include stakeholders interested in our projects. Over the past year we have worked to instil a consistent approach to stakeholder engagement across states and business units. The initiatives included:

- delivery of state-based stakeholder engagement plans, working across all asset classes to provide for an overarching approach to stakeholder engagement that is consistent across our projects and that enables teams to readily identify the variety of relevant stakeholders and their priorities
- delivery and application of a project-level stakeholder engagement plan template benchmarked at industry standards across the business, to enhance our teams' capabilities to prioritise stakeholders, proactively identify interests or concerns and engage accordingly
- introduction of stakeholder engagement as a standing item for consideration by State Executive Groups, providing an opportunity to regularly monitor the delivery of state and project objectives and coordinate upcoming activities
- delivery of stakeholder engagement training workshops to state development, project management and business development teams in Queensland, New South Wales and Western Australia
- collaborating with local government and community stakeholders in the design and delivery of our smart cities program at our Aura community (see 'Delivering smart cities with Sunshine Coast Council' case study)
- partnering with government to profile our investment in community and sustainability initiatives, including events to launch our national retail solar initiative with the Queensland Treasurer at Stockland Cairns and the New South Wales Minister for Energy and Utilities at Stockland Wetherill Park in Western Sydney (see Carbon and Energy Deep Dive).

Government and industry relations

We engage with government to better understand current and forthcoming policies with a particular focus on land use planning, housing affordability, and integration of land use planning with transport and key infrastructure investment. We believe that Australia's growing population requires a combination of brownfield and greenfield development, with appropriate infrastructure investment and land-use planning regulation by the public sector. We continue to communicate this message to government while establishing our reputation as a creator of communities and a provider of affordable, sustainable, and liveable places.

We engage with industry groups to contribute to a unified voice for the property industry and to collaborate in addressing issues facing the industry and lifting the benchmark for industry sustainability.

CASE STUDY
Delivering smart cities with Sunshine Coast Council

Smart cities help to future proof communities by providing infrastructure that enables improved and more efficient services for residents. During the design of our Baringa community within our Aura (Qld) development, our team engaged with Sunshine Coast Council about its Smart City Program. Understanding the potential for smart cities to contribute to our objective of shaping thriving communities, we worked with Council to understand how Baringa could leverage technology for the benefit of its residents and Council.

We committed $120,000 toward the Smart City Program, prepared a smart cities masterplan and integrated the delivery of required infrastructure (e.g. pits and pipes for the fibre optic network) with existing construction activities.

The smart cities masterplan includes targeted initiatives considered to be of genuine use to the community and enabling great customer and resident experiences. Initiatives include:

Smart LED street lights - 200 LED street lights have been installed to date. These are International Dark Sky Alliance compliant and reduce light pollution, making it easier for birds and animals to navigate the night sky.

Capacity rubbish bin sensors - street bins get emptied when they are full, reducing the number of trucks on the road and reducing traffic congestion.

Community display - information collected through a number of sensors and devices in the community is displayed to notify the community of relevant information and events.

Weather stations - Real time weather information such as temperature, rainfall, storm warnings, wind speed and direction**.**

Environmental sensors - a number of factors including air and water quality are measured and monitored.

WiFi stations - free WiFi access for visitors at locations throughout the community.

Bluetooth speakers - free access to Bluetooth speakers within the community's parks.

Electric car charging stations - electric car charge points are provided at several locations.

Electric bike charging stations - free charging stations provided at key community locations.

We continue to investigate initiatives to help make it easier to integrate existing infrastructure with new technologies to make it easier for Baringa residents to live smart.

AURA

BARINGA – *"WIRED FOR THE FUTURE"*
SMART CITY TECHNOLOGY

Some key areas of engagement with government and industry in FY18 included:

- contributing to public policy, through dialogue with all levels of government, in relation to the planning and delivery of homes and infrastructure across the urban and regional environments in which we operate
- participating in a range of industry forums and events and holding senior positions on the state and national executives of the Urban Development Institute of Australia and the Property Council of Australia (PCA)
- continuing to take a key role in the development of voluntary tools and standards for the industry, such as National Australian Built Environment Rating System (NABERS) Retail Energy and Water tools, Green Star, and Livable Housing Australia Design Guidelines (see our Asset Rating and Certification Deep Dive)
- working with sector peers through the PCA to take a collaborative approach in creating a more eco-efficient built environment
- responding to state strategic planning frameworks and consultation opportunities in relation to policy, including in relation to housing affordability and infrastructure projects.

Media relations

In FY18, our key areas of media engagement focused on:
- positioning Stockland as an equal-opportunity employer that encourages diversity and inclusion at every level of our organisation

- securing broad coverage of our sustainability credentials, particularly our industry-leading rooftop solar roll out for our Commercial Property business, our Green Star ratings, our inclusive playspaces and our innovation initiatives including Tesla electric vehicle chargers
- successfully communicating the launch of major residential projects with a focus on providing increased supply to assist in affordable housing for Australians, most notably with Mt Atkinson (Vic), Aura Central (Qld) and Altrove (NSW)
- communicating our Residential strategy and demonstrating our progress in broadening our business to incorporate townhomes, completed homes and apartment projects
- communicating our retail development pipeline with a strong focus on creating resilient retail town centres
- communicating our product offering and leadership across the Retirement Living industry through opinion-led articles and consumer media and trade publications
- communicating our active Retirement Living pipeline through major milestone events including the start of work event for Newport Retirement Village (Qld) and opening of the Birtinya Retirement Village (Qld) clubhouse
- strengthening our level and frequency of coverage across major metropolitan broadcast media and continuing to generate positive coverage with the key business and property media.

Throughout FY18, we have also maintained a strong focus on protecting and enhancing the Stockland brand and reputation through effective engagement with print, online and broadcast media. Our Media Relations team has worked closely with all areas of the business to address any issues as they have arisen and managed consistent communications across all relevant social media platforms.

Investor relations

In FY18, our investor engagement focused on maintaining clear and transparent reporting to our investors through regular financial reports, operational updates and lodgement of market sensitive information with the Australian Securities Exchange (ASX). We have engaged with investors throughout the year at conferences, roadshows and asset tours. We participated in eight conferences and roadshows in Australia, Asia, Europe, and North America. We met with over 220 investment groups, enhancing our profile in the global market and providing securityholders with direct access to management.

With a view to broadening our investor base and diversifying our sources of capital, we met with 48 new investors and hosted 23 asset tours to deepen investor understanding of our business. Our recent Investor Day provided investors with a strategy update and a tour of our Logistics and Business Parks, Retail Town Centre, Residential, and Retirement Living assets in metropolitan Sydney to reinforce our strategic priorities and demonstrate the active development of the portfolio over the past five years.

In FY18 we continued to encourage our securityholders to receive their communications (reports, distribution notices and announcements) electronically. This enables securityholders to receive timely and secure communication and allows us to invest printing and mailout savings into more accessible digital communication. Over 10 per cent of those investors who were contacted have now opted to receive all their investor communications electronically. Our quarterly updates, annual general meeting, and Investor Day were all webcast live on the internet to allow timely communication to all stakeholders.

We also enhanced our communication of key announcements via social media using Twitter and LinkedIn, with our LinkedIn followers now exceeding 29,800, up 19 per cent from FY17.

ESG engagement

We continue to engage investors on our environmental, social and governance (ESG) performance, primarily through participation in investor ESG research and surveys. In FY18, we achieved recognition of our ESG performance through:

- CDP Climate Change – only Australian company to be recognised on the 2017 CDP Climate A List for leadership in climate action.
- Dow Jones Sustainability Index – inclusion on the World Dow Jones Sustainability Index for the eleventh consecutive year, and Silver Class distinction in the RobecoSAM 2018 Sustainability Yearbook.
- Global Real Estate Sustainability Benchmark – 2017 Global Leader for Listed Diversified Office/Retail respondents.

We acknowledge growing interest from investors on how listed entities are identifying, assessing, managing, and disclosing risks and opportunities arising from climate change. We have responded to this interest by being an early adopter of the investor-led Task Force on Climate-related Financial Disclosures (Task Force). Our approach to managing climate-related risks and opportunities, disclosed according to Task Force recommendations, is in our FY18 Annual Report and supported by sustainability reporting available on our website.

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Supply Chain

FY18

Why this is important to Stockland

Every year, we partner with hundreds of suppliers including construction contractors, professional consultants, and service providers. We work to build strong partnerships with our suppliers such that they are motivated to operate in a manner that is consistent with our values and standards.

We are committed to responsible procurement and sustainable supply chain management. We recognise that having a sustainable supply chain is fundamental to having a sustainable business.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1]

This Deep Dive is to be read in conjunction with our published approach to supply chain management, available as part of our sustainability reporting suite at Our Management Approach to Supply Chain.

Our key achievements

- Continued to collaborate with our suppliers to achieve health, safety, environmental and quality outcomes including through our 'Sights on Safety' initiative, which focuses on identifying and implementing measures to reduce the number of serious incidents on our developments and assets.

- Developed a sustainability schedule for our construction contracts in collaboration with our contractors, targeting issues such as environmental impact, materials use, community engagement, and health and safety.

- Worked with the Supply Chain Sustainability School to develop a sustainability induction video for contractors and launched the use of the video within our Waterlea (Vic) residential development.

- Connected over 180 individuals with employment through the Green Hills Connectivity Centre during the two years of its operations (closed in March 2018 toward the conclusion of the Green Hills redevelopment).

- Partnered with our contractors to offer homes in our residential communities that include sustainability features such as Livable Housing Australia compliant design and enhanced energy efficiency.

- Set detailed sustainability criteria for accommodation providers as part of our approach to sustainable corporate procurement, which was recognised as best practice by City of Sydney.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

FY18 priorities and progress

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Launch our guideline 'Sustainability in our Development Supply Chain – What Stockland Expects' with strategic suppliers to communicate our sustainability expectations.	In progress	We have delayed the launch to FY19 to include emerging legislation focused on modern slavery. The guideline will now be launched as part of our FY19 supplier roadshow.
Implement the minimum materials quality and sustainability requirements to be used in the development of our assets.	Achieved	We developed minimum materials quality and sustainability requirements. We continue to work across our business and with our suppliers to implement these requirements across the development of our assets.
Run a supplier roadshow with our strategic suppliers to outline our planned development pipeline and our sustainability, supply chain, and health and safety strategies and initiatives.	In progress	We continued our supplier roadshow in FY18, with a focus on our Sights on Safety initiative. Roadshow activities in FY19 will focus on the themes of our supply chain framework as outlined in our 'Sustainability in our Development Supply Chain' guideline.
Enhance awareness and readiness for emerging national regulation on modern slavery.	Achieved	We participated in several information sessions and worked closely with the Property Council of Australia to inform how the property industry can implement emerging regulation on modern slavery.
Undertake three-yearly compliance assurance of service contractors.	In progress	We undertook compliance assurance of our critical service contractors in FY16. These results are still valid for FY18. Following this FY16 assurance, we are planning to repeat the assurance process in late 2018 for services contracts that are to be renewed in FY19.

Future priorities

- Partner with the Property Council of Australia to complete a pilot industry supply chain survey to help gain insights into human rights considerations as part of our commitment to the objectives of forthcoming legislation on modern slavery.
- Launch our guideline 'Sustainability in our Development Supply Chain – What Stockland Expects' at our annual supplier roadshow and continue to embed sustainability initiatives in support of the guideline.
- Launch our procurement management system that includes an increase in sustainability objectives for suppliers (part of our internal Core Systems program).

FY18 performance and case studies

Supply chain procurement overview

In FY18, we procured $2.6 billion of goods and services from our direct supply chain, which consists of over 4,300 active suppliers, with the top 78 suppliers representing approximately 75 per cent of our spend. More information on how we categorise our suppliers and engage with them according to tier is provided in Our Management Approach to Supply Chain.

SUPPLIER TIERING BY SPEND

TIER	TIER DEFINITION	NUMBER OF SUPPLIERS	SPEND ($ MILLION)	% OF SPEND
Tier 1	Spend with supplier is greater than $5 million p.a	84	1,950	75%
Tier 2	Spend with supplier is between $1 million and $5 million p.a	139	303	12%
Tier 3	Spend with supplier is less than $1 million p.a	4,087	346	13%
Total		**4,310**	**2,599**	**100%**

Supply chain framework and guidelines

Following the development of our supply chain framework in FY16 (summarised in the figure below), we have been working on our 'Sustainability in our Development Supply Chain' guideline. This guideline spells out key considerations for our development suppliers (such as health and safety, materials and resource use, and local employment), organised by the core themes of the supply chain framework.

We engaged with our suppliers on the themes and initiatives that support our supply chain framework, such as our Sights on Safety initiative, as well as emerging issues such as forthcoming legislation on modern slavery. We incorporated feedback from these engagements into the guideline throughout FY18. The guideline will be published in FY19 as part of our supplier roadshow.

STOCKLAND SUPPLY CHAIN FRAMEWORK

GOVERNANCE & MANAGEMENT
Stockland seeks to work with suppliers who are transparent and accountable in how they do business. This includes complying with all legislation and standards as well as acting ethically in all their dealings with us and in the marketplace.

ENVIRONMENTAL IMPACT
Stockland believes every organisation has a responsibility to understand and manage their environmental impacts. As such, we seek to work with suppliers who have sustainable procurement practices and prioritise the use of sustainable materials.

HEALTH, SAFETY & QUALITY
Stockland provides a safe and healthy work environment. We implement high standards in health, safety and quality across our operations and expect the same standards from our suppliers.

SOCIAL VALUE
Stockland believes business can play a positive role in society. We encourage our suppliers to identify ways to positively contribute to the communities in which we operate.

HUMAN RIGHTS
Stockland respects and promotes safe, fair, diverse and inclusive workplaces. We seek to work with suppliers who have appropriate labour practices and consistent values.

INNOVATION, CAPABILITY & CAPACITY
Stockland works collaboratively with suppliers to achieve innovative and sustainable outcomes. We seek to work with suppliers who have proven capability and capacity to work collaboratively to achieve better outcomes.

We use the supply chain framework to hold suppliers accountable for demonstrating our values. We respond to any environmental, social, and labour practice risks or impacts identified and in FY18 we have not terminated any supplier agreements due to significant actual and potential negative environmental, social, or labour practice-related impacts.

The rest of this document describes initiatives and achievements organised by the categories of our supply chain framework. More information on the supply chain framework is provided in Our Management Approach to Supply Chain.

Governance, management and environmental impact

Over the course of FY18, we have worked with our suppliers to establish a sustainability schedule for inclusion in project requirements. The schedule aims to:

- improve environmental impact through environmental management systems, environmental and waste management plans, reuse of spoil on site and the use of recycled materials and materials that have lower embodied energy
- prioritise health, safety and wellbeing programs and initiatives such as Mates in Construction
- promote Aboriginal and Torres Strait Islander employment opportunities with our contractors
- seek to understand how we can partner with our contractors to improve female participation in the construction industry
- raise sustainability awareness through initiatives such as the Supply Chain Sustainability School and implementation of the Green Star suite of rating tools
- drive community engagement by working with contractors to hold events to involve residents in the delivery process of their new community
- enhance understanding of emerging risks such as modern slavery through working with the Supply Chain Sustainability School.

We continue to work across our business and with our suppliers to implement these requirements across the development of our assets.

CASE STUDY
Enhancing community connectivity at Nicklin Way, Bokarina Beach

At our development projects, we work with local communities to create the places that they will call their own. We understand that development work affects the local community, and our teams work closely with affected stakeholders to accommodate their needs and concerns.

At our Bokarina Beach (Qld) residential community on the Sunshine Coast, the conditions of development approval required by both the Queensland planning authority and local authorities included an upgrade to Nicklin Way, an arterial road adjacent to the development. The upgrade originally included a standard underpass offering pedestrian access underneath Nicklin Way. However, the project team considered that in addition to the pedestrian pathway, the underpass could include a connection between the existing lake on one side with a lake proposed on the other side.

The adjustment promised to enhance the amenity of the underpass and was agreed in partnership with both Queensland and local authorities. Whilst design was relatively straightforward, coordinating the delivery was complex and required extensive planning and engagement with the community, the contractor and local stakeholders.

As Nicklin Way carries approximately 40,000 vehicles every day, it was important to engage with road users and the community about the planned changes. A detailed stakeholder engagement strategy formed the backbone of the project and considered local motorists, pedestrians, service providers whose infrastructure crossed under the road, and the nearby Kawana Waters State College Secondary Campus.

The Kawana Waters campus caters for 2,000 children, with 500 of them using the underpass to get to and from school every day. Working with the contractor, an informative newsletter and a number of assemblies were coordinated to explain the project, introduce the people who would be working on the project, and discuss what was required of the students. As an incentive to encourage positive student engagement, at the end of each term two vouchers for bicycles were awarded to students who demonstrated the most responsible behaviour.

The project team has worked hard to maintain a spirit of collaboration with the local community and respond to concerns as they have arisen. Completion of the upgrade is due for FY19, from when the community will be able to enjoy continuous lakefront pedestrian and bicycle paths underneath Nicklin Way.

Aerial image of upgrade works at Nicklin Way, adjacent to our Aura (Qld) community.

Creating local jobs

At our Stockland Green Hills (NSW) retail town centre redevelopment, we partnered with our principal contractor to establish the Green Hills Connectivity Centre, with the aim of leveraging our redevelopment to provide local procurement and employment opportunities. Over the course of our redevelopment at Green Hills, the Connectivity Centre focused on creating pathways and training for local people to find employment with participating local employers. Over 180 local individuals found employment through the Green Hills Connectivity Centre during the two years of its operation.

Initiatives such as the Green Hills Connectivity Centre demonstrate the opportunities and broader social benefit that can eventuate when we partner with local communities as part of our development work. More information on FY18 achievements from the Green Hills Connectivity Centre is provided in the Community Deep Dive.

Health, safety and human rights

Throughout the year we continued to collaborate with our suppliers to achieve health, safety, and quality outcomes through our 'Sights on Safety' initiative. Sights on Safety focuses on identifying and implementing measures to reduce the number of serious incidents at our developments and assets. The program is aimed at driving safety behaviours and advancing better practice on our developments, construction sites, operational assets and where possible, across the broader construction industry. More information on Sights on Safety achievements during FY18 is provided in our Health and Safety Deep Dive.

With regard to the human rights aspect of our supply chain framework we have been working with our contractor partners regarding participation in health, safety and wellbeing initiatives on our sites. This has been demonstrated with our continued work with Mates in Construction to improve mental health awareness at our worksites. We have undertaken Mates in Construction training at various sites, including our Newport (Qld), North Lakes (Qld) and Stockland Green Hills (NSW) projects. We have also extended this to our head office by raising awareness about mental health issues facing construction workers in conjunction with our national mental health promotion campaigns such as RUOK Day.

Our Management Approach to Human Rights and our Human Rights Policy provide additional information on our commitment to human rights both in our organisation and across our supply chain. We have not identified any operations or suppliers among our principal contractors that have a significant risk of incidents of child labour or forced/compulsory labour. We acknowledge that within the broader construction industry supply chain there may be risks associated with labour practices. For this reason, we consider that industry collaboration is an appropriate means to increase transparency and have committed to working with members of our peer group to create an industry-wide supplier survey across our broader supply chain. Our approach to forthcoming legislation on modern slavery is also discussed within our Human Rights Deep Dive.

Innovation, capability and capacity

We participate in research collaborations to advance our understanding of how our developments can innovate to respond to our stakeholders' needs and expectations. We remain involved in the University of Wollongong Steel Research Hub Market-Focused Product Innovations initiative, where we are researching the development of a prototype steel-intensive mid-rise residential building. The overarching goal of the project is to develop a new construction system to suit Australian conditions, focusing on the use of cold-formed steel to lower costs, reduce environmental impact, and increase capabilities across our supply chain.

We have partnered with our development contractors to deliver several other innovations across our projects, including:

- Sustainable Drive in Highlands (Vic), which is being delivered with a number of initiatives which showcase sustainability. Homes on Sustainable Drive have been built to Livable Housing Australia (LHA) design standards, as well as energy and water efficiency initiatives above those required by regulatory design controls, water efficient streetscapes with native plant verges, tree-pits, and best practice water sensitive urban design. The application of recycled material in road asphalts and E-Crete concrete footpaths are also features of the precinct.

- Foreshore (Qld), where a more environmentally friendly primer is being used prior to laying the asphalt for the roads. The primer is water based, making it less toxic to the landscape and reducing the likelihood of runoff carrying pollutants to local waterways. Additionally, the composition reduces drying time from 72 to 24 hours, enhancing project delivery timeframes.

- Innovation House in North Shore (Qld), which is a highly efficient, 9.5 star NatHERS[2] home in the project's display village. The home has been delivered with passive solar design features, LHA compliant design, improved indoor air quality and advanced capabilities including smart locks and home automation. Our sales team currently uses the home as a sales office, which means people looking to build a home can learn about these sustainability initiatives when they visit our sales professionals.

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[2] NatHERS (Nationwide House Energy Rating Scheme) provides homes with a star rating out of ten based on an estimate of a home's potential (heating and cooling) energy use (www.nathers.gov.au).

Supply Chain Sustainability School

We continue to encourage our suppliers to participate in programs initiated by the Supply Chain Sustainability School, of which we are a founding member and financial contributor. The school has over 1,350 members across close to 800 supporting businesses including public, private and not-for-profit sectors.

CASE STUDY
Contractor induction training on sustainability

Our commitment to sustainability is a critical component of how we achieve our purpose of delivering a better way to live. We collaborate with our contractors not just to deliver our strategy on the ground, but also to enhance the knowledge and capacity of the industry more broadly.

Most recently at Waterlea (Vic, formerly known as Stamford Park), the project team developed a Sustainability Induction video with the Supply Chain Sustainability School. The video targets our contractors, and aims to improve sustainability awareness and in particular how Sustainable Development can maximise 'environmental, social and economic value'. In addition the video covers initiatives specific to Waterlea as well as a section on Green Star certification and the role played by the contractor.

At the end of the video, the contractor is required to complete a short quiz to show their understanding of the issues discussed.

Completing the module not only improves contractor knowledge on sustainability, it also aligns contractors with our sustainability aspirations and aligns with the development's Green Star strategy. The module is also eligible for the GBCA's Industry Capacity Building credit in the Green Star Communities Tool.

Kim Ly, from Waterlea's development team says "The module, as well as the video are a great platform to provide contractors information on sustainability, both at Stockland and at Waterlea."

It also underlines the reason why sustainability is important and the roles each contractor has on site to contribute to sustainable development. The Supply Chain Sustainability School has done a great job to provide a module that is engaging and inspiring."

With the encouraging uptake of the video amongst contractors we are currently ascertaining how we can adapt the material to engage with contractors more broadly across our residential portfolio
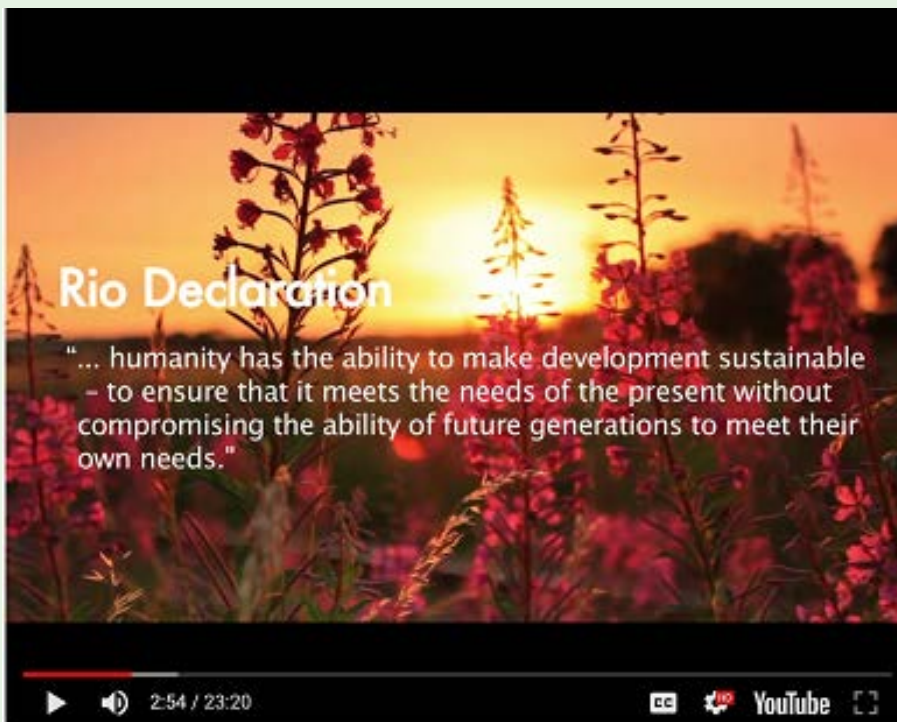
A still image from the Waterlea (formerly Stamford Park) contractor induction video.

This video is a 20 minute induction for anyone involved in the Stamford Park project, and is part of Stockland's mandatory sustainability training.

Corporate procurement

Our supply chain management activities extend to corporate procurement, where we seek to influence sustainability outcomes via the purchase of goods and services for our own workforce. Over the past year, we have focused on sustainability in corporate procurement through working with indigenous suppliers and through participating in the City of Sydney's Making Sydney a Sustainable Destination Plan. Our achievements related to indigenous procurement are detailed in our Human Rights Deep Dive.

CASE STUDY
Best practice business accommodation procurement with City of Sydney

The Council of the City of Sydney is committed to a 70 per cent reduction in carbon emissions by 2030, net zero emissions by 2050, as well as improvements in water and waste efficiency. The Council is focusing on the hotel and entertainment sector as over 10 million visitors come to Sydney every year. City of Sydney modelling shows that the sector leads to 21 per cent of total greenhouse gas emissions in the City of Sydney local government area, as well as 14 per cent of potable water consumption and 47 per cent of the City's commercial waste. To reduce the environmental impact of this sector, the City of Sydney's Making Sydney a Sustainable Destination Plan sets a vision for Sydney to be recognised globally as a sustainable destination for business and holidays.

We have collaborated with the City of Sydney to understand how we can support the objectives of the Plan. We build strong relationships with our suppliers, including accommodation providers, so that they are motivated to operate in a manner that is consistent with our sustainability leadership. We have set detailed sustainability criteria for accommodation providers, where we ask for performance data on waste management, energy efficiency, water efficiency, and overall sustainability management. Our preferred hotels provide data back to our Corporate Procurement team on how their business is performing over time against its sustainability commitments.

We have found that sustainability is a good differentiator in a market where pricing can be similar across accommodation brands. Our approach has been recognised as best practice by the City of Sydney as it seeks to improve the sustainability performance of the accommodation sector. Pip Harley, Sustainability Engagement Manager – Accommodation and Entertainment, said "Together with government, business and the tourism sector City of Sydney is working to build Sydney's reputation as a leading sustainable destination. Procurement practices are an essential driver to motivate suppliers to demonstrate environmental leadership. Stockland's collaborative engagement and procurement approach through its hotel program stands out as best in class."

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Waste and Materials

Why this is important to Stockland

We understand we have a role to play in protecting and enhancing the natural, built and human environment. We acknowledge that the development and operation of buildings account for large quantities of waste and material usage, which we can manage to minimise negative impacts.

Waste treatment and disposal can have a major impact on the surrounding environment. Examples include nutrient pollution of groundwater and waterways, air quality issues from incineration, and greenhouse gas emissions from landfills. We take these impacts very seriously and are committed to managing our waste efficiently. We seek to reduce, reuse and recycle our waste whenever feasible, minimising our contribution to landfill.

We equally acknowledge that the use of virgin materials can have significant impacts on environmental and human health. By specifying the use of ecologically and health preferable materials and recycled materials in our developments, we are able to deliver tangible environmental, social and business benefits.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] The material in this Deep Dive is supported by a wider collection of performance metrics contained in our Environmental Data Pack.

This Deep Dive is to be read in conjunction with our published approach to waste and materials, available as part of our sustainability reporting suite at Our Management Approach to Waste and Materials.

Our key achievements

- Completed NABERS Waste ratings on three selected assets in our Office and Business Parks portfolio.
- Diverted 89 per cent of waste from landfill across our Commercial Property redevelopments.
- Diverted 94 per cent of waste from landfill across our Residential developments.
- Diverted over 90 per cent of waste from landfill at our Birtinya (Qld) retirement living development.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/)

In this document you will find:

FY18 priorities and progress

Commercial Property

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Achieve a minimum 45 per cent waste diversion from landfill for Retail Town Centre, Workplace and Business Parks operations (by FY20).	In progress	We achieved a diversion from landfill of 33 per cent for Retail Town Centres and 37 per cent for Workplace and Business Parks. We continue to enhance waste management across our Commercial Property operations in pursuit of our FY20 target.
Achieve a minimum 85 per cent waste diversion from landfill for Retail Town Centre, Workplace and Business Parks developments (by FY20).	Achieved	Our redevelopment of Stockland Green Hills (NSW) achieved a final landfill diversion rate of 89 per cent. Our development at Birtinya (Qld) has achieved a landfill diversion rate of 95 per cent to date and our redevelopment of Stockland Wendouree (Vic) achieved a 93 per cent.

Communities

Residential

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Achieve a minimum 60 per cent waste diversion from landfill for all new residential construction contracts by FY20.	In progress	We achieved a diversion from landfill of 94 per cent across all residential developments.
Develop and embed sustainable timber and concrete specifications into new civil/landscape contracts.	In progress	We have developed a civil contractor sustainability schedule that specifies sustainability requirements for aspects such as materials, waste, and environmental management. We will apply the schedule to new civil contracts in FY19.

Retirement Living

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Undertake a gap analysis to gather and analyse current waste and recycling data at a select number of retirement living communities and to develop initiatives to improve waste reporting and management.	Achieved	We undertook a Waste Management and Recycling Review at Cardinal Freeman (NSW) to identify opportunities to improve current waste and recycling practices. We will be seeking to implement those recommendations in FY19.

Future priorities

Commercial Property

- Achieve a minimum 45 per cent waste diversion from landfill for Retail Town Centre, Workplace and Business Parks operations (by FY20).
- Achieve a minimum 85 per cent waste diversion from landfill for Retail Town Centre, Workplace and Business Parks developments (by FY20).
- Achieve a minimum 90 per cent waste diversion from landfill for developments seeking Green Star – Design & As Built certification.
- Investigate the delivery of Pulpmaster organic waste management systems across more of our retail town centres.

Communities

Residential

- Achieve a minimum 60 per cent waste diversion from landfill for all new residential construction contracts by FY20.
- Expand application of our sustainability contractor schedule from civil contracts to include built form contracts.

- Develop partnership with an environmental organisation to develop and pilot resident operational waste management across our communities.

Retirement Living

- Undertake a portfolio waste and recycling review and identify the top three waste generating retirement living communities based on cost and quantity of waste diverted from landfill.
- Conduct a minimum of one LCA on a retirement living development project in FY19.

FY18 performance and case studies

Development waste

Commercial Property

Our Retail Town Centre development projects in FY18 included the final stages of Stockland Green Hills (NSW), the commencement of Stockland Birtinya (Qld) and the extension of Stockland Wendouree (Vic). Both Stockland Green Hills and Stockland Birtinya are registered Green Star projects so construction waste targets are a core commitment for the developments. Stockland Wendouree, due to the relatively small scale of the project in terms of floor area, did not pursue a Green Star rating, however still committed to construction waste targets among a range of other sustainability commitments for the project in lieu of a Green Star rating.

For these development projects, Stockland Green Hills, registered under the legacy version of Green Star (target diversion rate of 80 per cent), achieved a diversion rate of 89 per cent while Stockland Birtinya, registered under the more recent version of Green Star (target diversion rate of 90 per cent) achieved a diversion rate of 95 per cent. The diversion rate at Stockland Wendouree was 93 per cent (target 80 per cent).

RETAIL DEVELOPMENT WASTE PROFILE (TONNES)

	FY18	FY17	FY16	FY15	FY14
Total waste	4,371	1,396	3,253	6,428	4,453
Waste recycled	3,910	678	2,684	5,940	3,778
Waste to landfill	461	718	569	487	924
Diversion from landfill (%)	89%	49%	83%	92%	85%
Developments included (% by project value)	100%	96%	100%	100%	100%

Communities

Our FY18 diversion from landfill rate for Communities development was 94 per cent, which exceeds the target rate of 60 per cent. The total waste generated has continued to decline (compared to previous years) due in part to improved management of waste on site and because several larger residential community projects no longer require the export of large amounts of debris from site. We continue to investigate spoil and timber reuse in master planned development projects, for example at Willowdale (NSW) we have reused timber in the provision of community infrastructure and nesting boxes in the riparian zone.

The table below summarises the waste streams from our greenfield Communities developments.[2]

COMMUNITIES DEVELOPMENT WASTE PROFILE (TONNES)

	FY18	FY17	FY16	FY15	FY14
Total waste	19,625	41,237	35,424	82,033	80,135
Waste diverted from landfill	18,441	39,923	33,881	78,415	78,149
Waste sent to landfill	1,184	1,314	1,542	3,617	1,986
Diversion from landfill	94%	97%	96%	96%	98%

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[2] Data on construction waste generated by contractors at sites where we do not have operational control (e.g. brownfield or sites with a single principal contractor) is not collected or reported. Note that due to the nature of greenfield developments, the waste figures generated on a per-year basis do not necessarily reflect the level of activity for that year as waste can be stored for a period of time onsite until reused, or exported offsite to landfill when the space becomes unavailable.

CASE STUDY

Our Better Business Partnership at Stockland Cammeray

Stockland Cammeray (NSW) participates in the Better Business Partnership, an initiative of the local councils of Ku-ring-gai, Willoughby, and North Sydney that focuses on enhancing the sustainability performance of local businesses and celebrating their achievements. While Stockland Cammeray focuses on all six pillars encouraged by the Better Business Partnership (waste, transport, sustainable purchasing, water, community support, and energy), a highlight has been a doubling of the waste diversion rate from landfill, which increased from 30 per cent in February 2017 to 60 per cent in early 2018.

Retailers were sent a 'Word on Waste' education memo that outlined their waste responsibilities, and have embraced the program and work with our centre management team to overcome challenges. Retailers and our cleaning contractors have noticed that since initiating the focus on waste diversion, the waste rooms have been more organised, cleaner, and easier to manage. Other initiatives contributing to the centre's enhanced waste management include:

- Training of cleaning staff to assist with increasing recycling rates
- Inclusion of 'Towards Zero Landfill' bins in the car park that encourage recycling of clothing, toys, footwear, and similar items
- Special bins and education focusing on paper recycling and organics recycling.

The centre also receives a monthly report from auditors that enhances the monitoring and tracking of general waste and recycling rates. Centre management is working to implement random internal waste audits to confirm retailers are sorting waste appropriately, as well as providing the capacity for organics composting on site.

Lisa Vaughan, Stockland Cammeray Centre Manager, said "I feel it is my responsibility, both corporate and personal, to drive sustainability at Stockland Cammeray." Thanks to our team's efforts, the centre was a finalist in the Better Business Partnership's 2018 Better Business Awards.

Operational waste

Commercial Property

In FY18, we continued to monitor and analyse our waste data streams to understand where opportunities exist to further improve the levels of recycling at our Retail Town Centre, Workplace and Business Parks sites. Our Retail Town Centre operations diverted 33 per cent of waste from landfill, while our Workplace and Business Parks operations diverted 37 per cent of waste from landfill. Our continued focus on waste management across our portfolio, combined with enhanced data quality and completeness from our waste contractors, will assist us to meet our FY20 target of 45 per cent diversion.

OPERATIONAL WASTE (TONNES)

	RETAIL TOWN CENTRES					WORKPLACE AND BUSINESS PARKS				
	FY18	FY17[3]	FY16	FY15	FY14	FY18	FY17[3]	FY16	FY15	FY14
Total waste	17,577	17,351	17,895	16,717	16,809	1043	1,193	1,182	1,298	1,607
Total waste to landfill	11,730	11,969	10,858	11,537	11,549	661	739	680	806	763
Total waste recycled	5,846	5,382	7,038	5,181	5,260	383	454	502	491	944
Diversion from landfill (%)	33	31	39	31	31	37	38	42	38	53
% portfolio reporting	97	95	95	95	95	85	85	100	80	100

The quality of our waste data is dependent on the quality of data provided to us by our waste contractors. We have been working closely with our waste contractors over the last year to incorporate the new Better Buildings Partnership (BBP) Operational Waste Reporting Guidelines, as developed by the City of Sydney into our future waste contracts. This provides consistency in the quality and standard of the data being reported across our portfolio. We will continue to engage a specialised waste consultant in FY19 to help monitor, reconcile and interrogate the waste data and further improve the accuracy and quality of the information that is provided by our contractors. We will also focus on opportunities in organics recycling to help improve waste diversion rates by the end of FY20.

In FY18 our teams at Stockland Wetherill Park (NSW) and Stockland Merrylands (NSW) installed Pulpmaster systems at their centres, following on from the successful pilot conducted at Stockland Cleveland (Qld) in FY17. Pulpmaster systems process

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[3] FY17 results restated due to contractor data reporting error.

organic wastes on site and enable cost reductions and improved diversion rates where they are used. In FY19 we will investigate the delivery of Pulpmaster systems to more retail town centres.

In FY18 we completed NABERS Waste ratings at 66 Waterloo Road (NSW), 601 Pacific Highway (NSW), and 16 Giffnock Avenue (NSW). More information on these ratings is provided in our Asset Rating and Certification Deep Dive.

Retirement Living

During the year, we commissioned a waste management and recycling review of Cardinal Freeman (NSW). The review was initially undertaken to investigate alternative collection procedures that would improve on inefficiencies and traffic congestion associated with current kerbside waste collection. As part of this process, we also reviewed the current waste contract to understand if opportunities existed to improve the waste performance at the village and associated development. A key recommendation of the review was to explore alternative methods of waste collection that would reduce bin movements without significant changes to infrastructure. Discussions with the contractor have centred on the use of a small truck service to service bins directly from the waste room, with the aim of reducing costs and easing traffic congestion. This recommendation will be implemented in FY19.

Informal resident sustainability awareness sessions have been held at a number of villages including Golden Ponds (NSW) and Wamberal Gardens (NSW).

Materials

There has been continued industry attention to the role of non-conforming and non-compliant building materials, both in the context of supply chain verification and asset management. In addition to working with our suppliers in relation to development and construction work, we undertake comprehensive due diligence for all new real estate acquisitions including in relation to construction materials. We have also been responsive to new and anticipated legislation relating to façade cladding on our existing asset portfolio.

Initiatives implemented in FY18 to reduce the impacts of materials in our developments include:

- Developing a sustainability contractor schedule that establishes a baseline suite of sustainability initiatives that we will require in new civil contracts. The schedule also includes opportunities for project-specific initiatives to be delivered through our contractor partners. The schedule enables us to be clear on our waste management and product and material selection expectations for each development. We have recently received positive feedback from our civil construction partners and will embed the schedule in a number of new contracts early in FY19.

- Began investigating options for substituting raw materials such as aggregates for coal by-products in our construction processes such as roadways and pavements. We will continue to work with suppliers in FY19 on product availability and appropriateness for use on selected projects.

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Water Management

FY18

Why this is important to Stockland

Water is essential for environmental and social health. It also enables us to develop and manage our assets and plays an important role in making our communities and assets attractive, healthy and efficient places in which our customers want to live and work.

Australia's climate is characterised by variability, featuring long-term drought, water scarcity (often resulting in water restrictions) and severe flooding. As a responsible property developer, we constantly consider where water is sourced, how efficiently it is used and how quantity and quality is managed. We maintain a strong focus on water management and quality in the development and operation of our assets, including improving the quality of rainwater runoff leaving our project sites, access to alternate water infrastructure and practical innovation to support more efficient water use.

Maintaining effective water management systems to minimise consumption and manage water quality is a key priority. Effective systems deliver significant benefits to the environment and promote performance and cost efficiencies across our projects and operations.

This Deep Dive document is a component of our FY18 sustainability reporting suite, which is publicly available on our website. Our sustainability reporting is third-party assured and drafted in accordance with the GRI Standards.[1] The material in this Deep Dive is supported by a wider collection of performance metrics contained in our Environmental Data Pack.

This Deep Dive is to be read in conjunction with our published approach to water management, available as part of our sustainability reporting suite at Our Management Approach to Water Efficiency and Quality.

Our key achievements

- Reduced water intensity of our Retail Town Centre portfolio by five per cent compared to FY17.
- Reduced water intensity of our Workplace and Business Parks portfolio by 11 per cent compared to FY17.
- Exceeded our water efficiency targets in our built form product as modelled at Altrove (NSW) and Brightwater (Qld).
- Connected 15 of our sales offices and other facilities to either rainwater or centralised recycled water supply.

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[1] The GRI Standards are global standards for sustainability reporting published by the Global Reporting Initiative (https://www.globalreporting.org/standards/).

In this document you will find:

FY18 priorities and progress

Commercial Property

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Reduce water consumption by five per cent by FY20 in our Retail Town Centre portfolio (against FY17 benchmark).	In progress	We achieved a water intensity reduction of five per cent against FY17 for our Retail Town Centre portfolio
Reduce water consumption by five per cent by FY20 in our Workplace and Business Parks portfolio (against FY17 benchmark).	In progress	We achieved a water intensity reduction of 11 per cent against FY17 for our Workplace and Business Parks portfolio.
Achieve a NABERS Water portfolio average of 3.5 stars for our Retail Town Centre portfolio by FY20.	In progress	Our NABERS Water average for our Retail Town Centre portfolio is 3.18 stars (slightly down from 3.20 stars at end of FY17).
Achieve a NABERS Water portfolio average of 4 stars for our Workplace and Business Parks portfolio by FY20.	In progress	Our NABERS Water average for our Workplace and Business Parks portfolio is 3.57 stars (down from 3.69 stars at end of FY17). The decline is largely attributable to increased vacancy in our Workplace portfolio.

Communities

Residential

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Exceed relevant minimum water consumption compliance standards by five per cent by FY20 in our residential communities.	In progress	Based on modelling and analysis of the design of our built form product, at Altrove (NSW), we exceeded compliance requirements by 9.6 per cent, and at Brightwater (Qld), we exceeded compliance requirements by six per cent.
All new residential masterplanned communities and built form projects over 500 dwellings to deliver the following modelled water quality targets when discharging water from our site into natural water systems: • 45 per cent reduction in nitrogen • 65 per cent reduction in phosphorus • 85 per cent reduction in suspended solids	Not achieved	We modelled the water quality performance of Edgebrook (Vic), Grandview (Vic), and Promenade (Qld). Two projects achieved nitrogen reduction targets, two projects achieved phosphorous reduction targets, and no projects achieved suspended solids reduction targets (although all projects achieved greater than 76 per cent reduction in suspended solids).
Continue to progress the feasibility study for Sienna Wood (WA) recycled water project.	In progress	A regional proposal to deliver recycled water to the area is currently in preparation, and we are also investigating recycled water initiatives specific to our Sienna Wood community.

Retirement Living

FY18 PRIORITIES	STATUS	FY18 PROGRESS
Establish a water efficiency program that embeds the recommendations derived from the sub-metering and monitoring program and seeks to achieve a five per cent water efficiency target for villages with sub-metering by FY20.	In progress	We have identified water efficiency opportunities resulting from the sub-metering and monitoring program currently underway. Our Sustainability and National Operations teams are working on a checklist that includes water efficiency recommendations for existing villages to implement.

Future priorities

Commercial Property

- Reduce water consumption by five per cent by FY20 in our Retail Town Centre portfolio, and in our Workplace and Business Parks portfolio (FY17 baseline).
- Achieve an average NABERS Water rating of 3.5 stars for our Retail Town Centre portfolio, and 4 stars for our Workplace and Business Parks portfolio by FY20.

Communities

Residential

- Exceed relevant minimum water consumption compliance standards by five per cent by FY20 in our residential communities.
- All new residential masterplanned communities and built form projects over 500 dwellings to deliver the following modelled water quality targets when discharging water from our site into natural water systems:
    - 45 per cent reduction in nitrogen
    - 65 per cent reduction in phosphorus
    - 85 per cent reduction in suspended solids.

Retirement Living

- Complete an operational efficiency review of our three most water intensive retirement living communities.

FY18 performance and case studies

Commercial Property

NABERS Water

Following the NABERS Water ratings undertaken in FY18 on our Retail Town Centre portfolio, the area weighted portfolio average has reduced slightly at 3.18 stars (3.20 stars in FY17). Seven assets out of 25 received an improved rating while two assets received a lower rating.

Following the NABERS Water ratings undertaken in FY18 on our Workplace and Business Parks portfolio, the area weighted portfolio average has reduced to 3.55 stars (3.98 in FY17) for our Workplace portfolio and has increased to 3.59 stars (3.48 in FY17) for our Business Parks portfolio. The reduction in the Workplace portfolio is due to several large buildings with lower ratings this year. The increase in the Business Parks portfolio is due to an increase in the rating for the Optus Campus which because of its large floor area, has a significant impact on the average despite one other location with a smaller floor area that had a reduced rating. Our combined portfolio average is 3.57 stars, which is a reduction on FY17 (3.69 stars) as a result of the decrease in our Workplace portfolio rating.

More information on our NABERS ratings is provided in our Asset Rating and Certification Deep Dive.

Initiatives and performance metrics

In FY18 we maintained our comprehensive sub-metering network across our commercial property assets, enabling us to focus on leak detection and targeted water efficiency initiatives. Sub-metering has allowed us to focus on how water is being used for irrigation in Business Parks. In FY19 we will investigate further expanding our water sub-metering.

We track our water consumption on a per square metre intensity basis as a means of taking divestments and investments into account when considering our water consumption. The table below outlines our year-on-year water intensity in commercial property over the last five years.

COMMERCIAL PROPERTY WATER CONSUMPTION INTENSITY (kL/m²)

	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks	0.55	0.62	0.65[2]	0.58	0.63
Retail Town Centres	1.04	1.09	1.11	1.1	1.1
Commercial Property[3]	**0.94**	**0.98**	**1.00**	**0.96**	**0.98**

In FY18, our Retail Town Centre business and our Workplace and Business Parks business each committed to a five per cent water intensity reduction by FY20 (using FY17 baseline).

Across our Commercial Property portfolio, FY18 water consumption intensity decreased by four per cent against FY17. This result is attributable to changing water requirements of business park property landscaping (less water is required compared to when it was first planted in FY16) and major leak rectification. The table below outlines our year-on-year water intensity reductions over the last five years.

COMMERCIAL PROPERTY ANNUAL WATER INTENSITY CHANGE FROM PRIOR YEAR

	ANNUAL INTENSITY CHANGE (%)				
	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks	-11%	-5%	12%	-8%	0%
Retail Town Centres	-5%	-2%	0%	0%	7%
Total Commercial Property[4]	**-4%**	**-2%**	**4%**	**-2%**	**7%**

Communities

Residential

Residential contractor water data varies from year to year due to activities such as filling lakes in large developments and location-specific variables such as natural rainfall, project life cycles, market conditions, site management techniques and local landscaping requirements set by councils. Further, contractors self-report water data and we do not review each contractor's data collection processes. From FY16, we upgraded our contractor templates to enhance reporting processes and to notify contractors if water usage falls outside an expected range.

Water efficiency

Our current Residential water targets (set in FY17) focus on the performance of built form product which is under our control. These targets aim for a five per cent improvement in the performance of built form product, by FY20, compared with existing water reduction compliance benchmarks established by regulation within the states where we operate. We model and analyse the performance of our built form product in our residential communities to understand water-related initiatives we could include in our designs to exceed compliance requirements by five per cent or more. We investigated initiatives including use of recycled water, inclusion of water tanks, and water efficient appliances (such as showerheads, taps, and toilets).

We modelled and analysed the performance of Altrove (NSW) and Brightwater (Qld) in FY18. At Altrove we achieved a 9.6 per cent improvement over compliance, largely attributable to connecting water tanks to toilets, laundry and external taps, as well as installing water efficient native landscaping. At Brightwater we achieved a six per cent improvement over compliance, largely attributable to the installation of water efficient native landscaping and installation of water-efficient showerheads. We will begin to embed these initiatives into our built form product being designed from this year onward.

Other water efficiency initiatives delivered in FY18 include:

- connection of 15 of our sales offices and other facilities to either rainwater or centralised recycled water supply
- use of Australian native plants that are tolerant of low water environments in our landscaping, public open space and verges at Willowdale (NSW), Whiteman Edge (WA), Sienna Wood (WA), and Pallara (Qld)
- delivery of Western Australia Water Corporation Water Wise Garden Standards to our front gardens and display villages at Calleya (WA)

[2] Water usage increase in FY16 was due to various water leaks and an increase in irrigation due to new landscapes.
[3] Consumption intensity data calculated based on Workplace and Business Parks, and Retail Town Centre consumption figures only. Does not include Logistics.
[4] Consumption Intensity data calculated based on Workplace and Business Parks, and Retail Town Centre consumption figures only. Does not include Logistics.

- collection of water used for dust suppression by our contractor in retention or sediment ponds at Foreshore (Qld) and Vale (Qld), as well as maximising use of non-potable water for dust suppression
- continued delivery of recycled water to projects where feasible for example in Cloverton in Victoria we have delivered recycled water to all constructed lots
- education for new residents by providing information about water efficiency at selected display villages and as part of our welcome packs to new residents.

Water quality

We use water sensitive urban design (WSUD) strategies at our residential developments to minimise the impact these developments have on water quality. In FY18, WSUD strategies were completed for our residential developments at Edgebrook (Vic), Grandview (Vic), and Promenade (Qld). As shown in the table below, two of these projects will achieve the target 45 per cent or more nitrogen reduction, two projects will achieve the target of 65 per cent or greater phosphorus removal and none of the projects will achieve the target 85 per cent suspended solids removal although all three projects will achieve greater than 76 per cent suspended solids removal

RESIDENTIAL DEVELOPMENT WATER QUALITY MODELLED PERFORMANCE

	NITROGEN REDUCTION (%)	PHOSPHORUS REDUCTION (%)	SUSPENDED SOLIDS REDUCTION (%)
Edgebrook (Vic)	36	60	76
Grandview (Vic)	45	69	81
Promenade (Qld)	49	73	83

We also minimise pollution during construction through delivery of sediment and erosion control plans. Water runoff is captured in basins and treated with flocculants to allow suspended solids and pollutants to settle out of the water column.

Retirement Living

Our water sub-metering and monitoring pilot at Tarneit Skies (Vic) and The Willows (NSW) has continued to identify a number of opportunities to improve the operational performance of the villages, such as reviewing pool operations and improving detection and repair of water leaks. We have targeted a five per cent water efficiency improvement for the FY18 to FY20 target period for those villages included in the sub-metering pilot. Our sustainability team will continue to work closely with the National Operations and Village Management Teams to implement the recommendations and identify quick wins that can then be scaled across the portfolio.

Informal resident sustainability awareness sessions have been held at a number of villages including Golden Ponds (NSW) and Wamberal Gardens (NSW).

To access the complete list of documents in Stockland's Sustainability Deep Dive Series, click here.

Community Data Pack

FY18

Background notes

We report our community data holistically, given that our approach to investing in our community is consistent across all our business units. We do however provide breakdowns by business unit when discussing investments and initiatives at asset level.

The data contained in this data pack, and in our FY18 sustainability reporting more broadly, has been third-party assured.

Overview

Our community data presents the total value of our strategic community investment activities delivered via:

- **community development** – our strategic approach to delivering infrastructure and social programs in partnership with not-for-profit organisations in the areas of health and wellbeing, community connection and education in and around our assets.
- **community investment** – our long-term strategic involvement in community partnerships and programs that address social issues and opportunities through employee engagement programs.
- The **Stockland CARE Foundation** – a charitable trust established for the purposes of improving the health, wellbeing and education of Australian communities.

In FY18, we invested over $7.7 million through our community development and community investment programs, through the Stockland CARE Foundation, and through facilitating stakeholder contributions and provision of space.

Total community contribution

The table below outlines Stockland's total community contribution from community development, community investment and the Stockland CARE Foundation. The total community contribution as verified by Corporate Citizenship is $6,939,998[1].

		FY18	FY17	FY16	FY15	FY14
COMMUNITY DEVELOPMENT						
National partnerships	Financial contributions made to not-for-profit organisations that are national community development partners of Stockland	$742,296[2]	$457,985	$290,638	$206,750	$297,835
Stockland CARE Grants	Financial contributions made to not-for-profit organisations that were successful in receiving a Stockland CARE Grant	$560,292[3]	$303,714	$325,750	$218,500	$95,880

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[1] There is a slight variance (less than 0.1%) on this amount and the amount included in Corporate Citizenship's verification statement, which can be attributed to rounding limitations with Corporate Citizenship's system.
[2] This has increased in FY18 as it now includes our partnerships with National Theatre for Children and Live Life Get Active, which in previous years were included in asset based contributions.
[3] This is made up of 293 CARE grants provided to local community organisations at a value of $274,941. In addition, we provided 15 grants in FY18 to the Aura residential community of $285,351, which accounts for the increase on FY17.

In this document you will find:

		FY18	FY17	FY16	FY15	FY14
Asset based contributions	Financial support provided to local community organisations from a Stockland residential, commercial property or retirement living asset or project	$1,971,895[4]	$2,551,436	$3,435,802	$2,136,776	$1,317,342
Community Infrastructure	Community infrastructure to promote accessibility and inclusion e.g. Inclusive playspaces, quiet rooms and adult change facilities	$1,460,223[5]	NA	NA	NA	NA
Total community development		**$4,734,707**	**$3,313,135**	**$4,052,189**	**$2,562,026**	**$1,711,057**
COMMUNITY INVESTMENT						
Workplace giving	Total matched donations made by Stockland through Stockland's workplace giving program	$138,366[6]	$251,197	$87,584	$84,988	$64,378
In-kind donations	Total donations of non-financial goods to not-for-profit organisations including land, property and casual mall leasing space	$26,801[7]	$617,414	$708,926	$1,043,493	Not reported
Corporate donations	Ad-hoc community donations made on behalf of Stockland Development and/or Stockland Trust	$315,153	$280,947	$289,277	$124,762	$82,683
National community investment partnerships	Financial support given to not-for-profit organisations that support the delivery of volunteering opportunities for Stockland employees	$126,000	$130,000	$104,500	$71,500	Not reported[8]
Volunteering	Value of the number of hours logged from personal and team volunteering and student mentoring	$382,477[9]	$213,720	$238,285	$122,725	$263,210
Stockland CARE Foundation	Transfer of funds by Stockland to the Stockland CARE Foundation Trust and grants distributed to Stockland CARE Foundation beneficiaries	$200,000	$200,000[10]	$4,200,000	$4,000,000	NA
	Donations made to Stockland CARE Foundation partners as a result of corporate contributions[11] and sponsorships	$33,790[12]	$176,034	$80,095	NA	NA
Total community investment		**$1,222,587**	**$1,869,313**	**$5,708,666**	**$5,447,468**	**$474,649**

[4] In FY17, community infrastructure was included as asset based contributions. Due to the significant increase in Stockland's community infrastructure, such as inclusive playspaces, quiet rooms and adult change facilities, these have now been called out as a separate item.

[5] This was reported as a part of asset based contributions in FY17. While the full cost of quiet rooms and adult change facilities have been included, we have only included 25% of the full cost of designing and building the inclusive playspaces.

[6] This amount has decreased in FY18 as we included employee donations in FY17. Employee donations are now reported separately under Stakeholder Contributions. Of the $138, 366, $69,771 went to CARE Foundation partners Redkite and Touched by Olivia.

[7] In previous years, this amount included the foregone revenue from providing Casual Mall Leasing space to community organisations at a reduced cost. Foregone revenue is now being reported separately as Provision of Space (foregone revenue) to align with London Benchmarking Group's reporting methodology.

[8] Reported in National Community Development Partnership for FY14

[9] The average hourly rate used to calculate the value of volunteering hours was updated from $53.31 to $88.21 in FY18 as the previous rate used was based on outdated data.

[10] This amount decreased in FY17 as the prior two years included a $4 million investment in the Stockland CARE Foundation corpus. An ongoing investment of $200,000 was made in FY17 and FY18 and this contribution will be made annually.

[11] Does not include partnership contributions.

[12] In previous years, this figure included partner and asset fundraising. This is now reported under Stakeholder Contributions.

		FY18	FY17	FY16	FY15	FY14
Management costs	Costs associated with the management and delivery of Stockland's community programs [13]	$982,704	$856,205	$659,973	$421,614	$188,677
Total community contribution		**$6,939,998**	**$6,038,651**	**$10,420,828**	**$8,009,494**	**$2,185,706**

In addition to the items outlined above, we also facilitate community contributions through our stakeholders and through the provision of space, bringing our total community contribution to $7,776,317.

OTHER CONTRIBUTIONS		FY18	FY17	FY16	FY15	FY14
Stakeholder Contributions	Employee, customer, supplier and contractor donations to CARE Foundation partners and other community organisations	$288,394 [14]	NA	NA	NA	NA
Provision of space	Revenue foregone through the use of Casual Mall Leasing spaces by community organisations	$547,925 [15]	NA	NA	NA	NA
Total community contribution including leverage items		**$7,776,317**	**$6,038,651**	**$10,420,828**	**$8,009,494**	**$2,185,706**

BREAKDOWN OF TOTAL COMMUNITY CONTRIBUTION AT STOCKLAND (TOTAL = $7,776,317)

Provision of Space (revenue foregone), $547,925
Management costs, $982,704
Stakeholder contributions, $288,394
Community investment, $1,222,587
Community development, $4,734,707
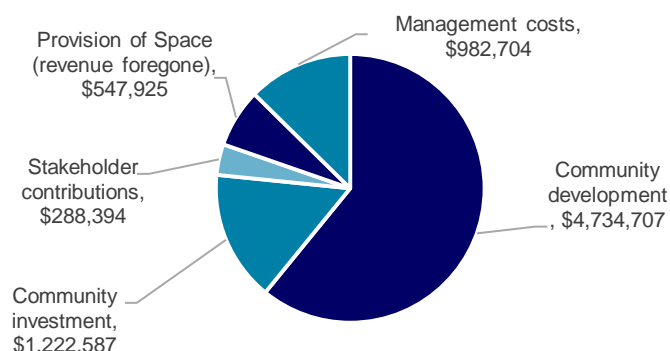
TOTAL COMMUNITY DEVELOPMENT SPEND (TOTAL = $4,734,707)

Community infrastructure, $1,460,223
National Partnerships, $742,296
CARE Grants, $560,292
Asset-based Contributions, $1,971,896
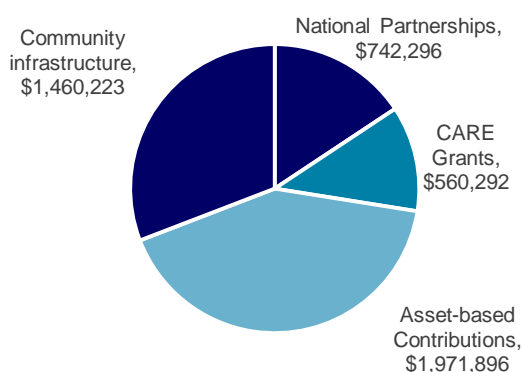
TOTAL COMMUNITY INVESTMENT SPEND (TOTAL = $1,222,587)

Donations made to Stockland CARE Foundation partners, $33,790
Workplace giving, $138,366
Stockland CARE Foundation, $200,000
In-kind donations, $26,801
Corporate donations, $315,153
Volunteering, $382,477
National community investment partnerships, $126,000

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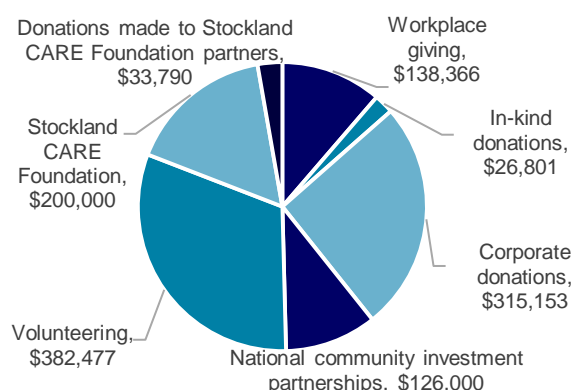
[13] Includes average salaries, costs associated with the development, design and delivery of Stockland's sustainability report and training for community employees.
[14] Employee donations was previously reported under Workplace Giving and customer and supplier donations were previously reported under Stockland CARE Foundation. Of the total amount, $146,977 was made up of employee donations, $30,735 was made up of customer donations and $110,683 was suppler donations.
[15] CML revenue foregone is reported separately from in-kind donations in accordance with Corporate Citizenship's reporting guidelines. In previous years, foregone revenue was reported as an in-kind donation.

We continue to use Corporate Citizenship[16] to measure and benchmark our community activities. Corporate Citizenship captures all data relating to our community investments and allows us to put a dollar figure on our time, monetary support and in-kind donations to charities and community groups.

Our community partnerships, programs and resources

FOCUS AREA	PARTNER OR PROGRAM NAME	DESCRIPTION
Health and Wellbeing	Bowls Australia	Active lifestyle, learning opportunities and community connection through coaching clinics and masterclasses, along with health and wellness information sessions.
	Jamie's Ministry of Food	Provides healthy eating and good nutrition hands-on education programs and cooking schools through a permanent kitchen at Stockland Wetherill Park, Mobile Kitchen programs, Community Outreach programs, localised cooking demonstrations and Learn Your Fruit and Veg school holiday programs.
	Live Life Get Active	Weekly, community fitness classes provided free of charge to local Stockland residential communities.
	Heart Foundation	Walking groups that promote physical activity, emotional wellbeing and community connection held in and around Stockland retail, residential and retirement living assets.
	parkrun	Events for runners and walkers of all fitness levels at Stockland residential communities.
	Redkite	Provides essential support to children and young people with cancer (up to the age of 24), and their families from the hospital bedside to the family home.
Education	Australian Business and Community Network	Provides Stockland employees with opportunities to provide facilitated mentoring in high needs' schools around Australia.
	Australian Retailers Association	Training program for local community members to deliver retail ready accreditation.
	National Theatre for Children	Student education program focused on sustainability.
	Retail Ready	Retail training program run by the Australian Retailers Association (ARA).
	The Song Room	Student education program focused on engagement through the arts.
	Yourtown and Brookfield Multiplex	Training and employment program for local jobseekers.
Community Connection	The Big Issue	Provides a diverse range of supported volunteering experiences for Stockland employees to take part in across Australia.
	Conservation Volunteers Australia	Supported volunteering for Stockland employees to take part in conservation programs across Australia.
	Reconciliation Action Plan (RAP)	Our RAP outlines a set of organisation-wide commitments and actions to strengthen our relationships with and understanding of Aboriginal and Torres Strait Islander Peoples, cultures and communities.
	Stockland CARE Grants Program	Provision of one-off financial grants to local community organisations that deliver programs and initiatives in and around Stockland assets in the areas of health, wellbeing and education.
	Touched by Olivia Foundation	Provides engagement and consultation on design to deliver inclusive playspaces within and surrounding our Stockland communities.
	Link & Learn	Provides opportunity for residents in our residential communities to connect with one another through events and activities and learn new skills. Programs are planned to respond to the diversity of each community.

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[16] Previously known as LBG (https://corporate-citizenship.com/).

Community development

Asset and project initiatives

The following data have been collected as part of each project's community development or sustainability plan. The results provide a comprehensive review of all the community development initiatives successfully implemented at project and asset level throughout FY18. Data is provided for Commercial Property and Communities business units (with Communities broken down into Residential and Retirement Living asset classes). Results are also broken down against our three key community focus areas.

INITIATIVES BY FOCUS AREA (TOTAL = 782)
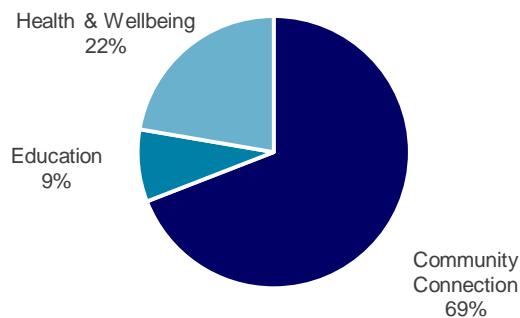
TOTAL INITIATIVES BY BUSINESS UNIT (TOTAL = 782)
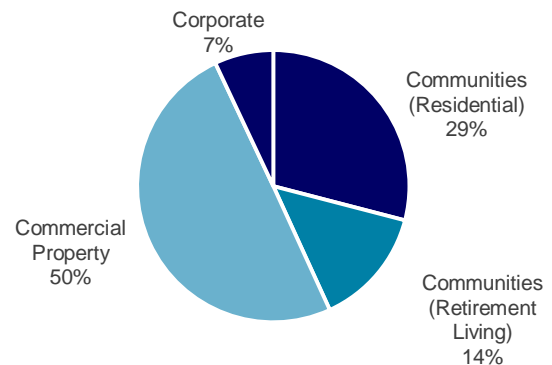
NUMBER OF COMMUNITY DEVELOPMENT PLANS

	FY18	FY17	FY16	FY15	FY14
Commercial Property	37	38	40	34	32
Communities (Residential)	33	37	37	30	29
Communities (Retirement Living)	54	57	14	53	53

Asset and project based initiatives implemented in FY18

Asset and project based initiatives are programs, events or other initiatives that are run in partnership with local organisations and causes or financial or in-kind contributions made to an organisation on behalf of Stockland.

	FY18	FY17	FY16	FY15	FY14
Commercial Property	391	265	334	294	336
Communities (Residential)	229	185	160	118	215
Communities (Retirement Living)	111	141	67	812	812
Corporate	51	49	Not reported	Not reported	Not reported

Asset and project based initiatives by focus area

The table below outlines the asset and project based initiatives by community development focus area.

	FY18	FY17	FY16	FY15	FY14
Health and Wellbeing	175	206	145	399	453
Education	67	61	61	107	178
Community Connection	540	373	355	718	732

Asset and project based initiatives by focus area and business unit

COMMERCIAL PROPERTY INITIATIVES BY FOCUS AREA (TOTAL = 391)

Health & Wellbeing
15%

Education
7%

Community Connection
78%
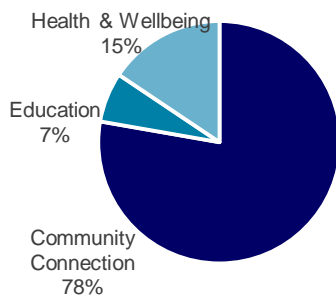
COMMUNITIES (RESIDENTIAL) INITIATIVES BY FOCUS AREA (TOTAL = 229)

Health & Wellbeing
27%

Education
13%

Community Connection
60%
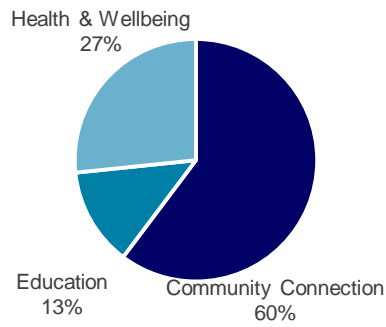
COMMUNITIES (RETIREMENT LIVING) INITIATIVES BY FOCUS AREA (TOTAL = 111)

Community Connection
62%

Health & Wellbeing
37%

Education
1%
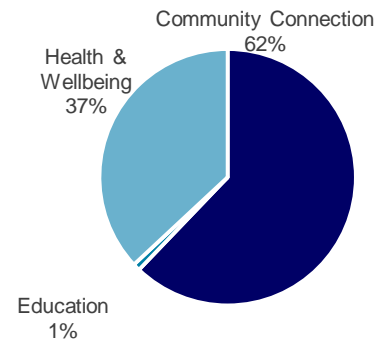
EXAMPLES OF PROGRAMS AND INITIATIVES DELIVERED AT PROJECT AND ASSET LEVEL

HEALTH AND WELLBEING	EDUCATION	COMMUNITY CONNECTION
COMMERCIAL PROPERTY		
• 5-star parents/family room • Adult change facilities • Quiet rooms • Accessible & inclusive playspaces • Mates in Construction training • Centre hosted community programs • Community health and wellbeing services • Community room • Cooking classes • Education training for retailers and customers • End of trip facilities • Fresh food/healthy eating program • Safety and accessibility plan • Local community group support (infrastructure)	• Career inspiration training for school students • Community information sessions • Co-located community facilities • Co-working spaces • Cultural heritage programs • Employment program • Environmental program • Learning facilities • Local community program • Retail education program • School holiday cooking programs • School holiday STEM programs • School/tertiary partnerships • Small business access • Social enterprises • Supply Nation procurement program • Sustainability education programs	• Community events/festivals • Community Emergency Assistance Planning • Craft activities for children • Cultural diversity • Entertainment/leisure precinct • Mothers' activities • Place-making initiatives • Playdates for children • Public art • Reconciliation program • Regular customer engagement • Seniors events/ activities • Social engagement facility • Social engagement programs • Stockland CARE Grants • Stockland Exchange use • Youth Forum • Youth engagement programs
COMMUNITIES (RESIDENTIAL)		
• Adult fitness programs • Children's fitness programs • Cooking classes • Dog training • Community spaces designed for varying ages and levels of ability • Park launch events encouraging use • Integrated pedestrian and cycle network delivery and way-finding	• Resident energy, water, waste saving and wellbeing education • Schools based engagement • Sustainability hubs activation • Community garden education programs • Cycling education programs	• Community engagement for design and visioning • Welcome program and events • Social and seasonal events' calendars • Social enterprise cafes • Stockland CARE Grants • Inclusive and accessible playspaces • Community safety events • Link & Learn activities and events
COMMUNITIES (RETIREMENT LIVING)		
• Active and public transport options • Active Living Programs • Community safety programs • Health checks and health issue awareness • Inclusive and accessible spaces • Resident Preventative Health Information • Mental Wellbeing Program • Nutritional information/cooking classes • Pedestrian friendly road design • Provide safe, open spaces • Universally accessible community facilities	• Community hub (library, community centre) • Community learning facilities • Co-share, learning facilities/infrastructure • Cultural heritage • E-book sharing (Kindle, tablet) • Education infrastructure • Environmental awareness/education • Local learning/education program • Local schools partnership/mentoring • Resident energy, water, waste saving and wellbeing education • Skills development/retraining programs • Technology incl social media training	• Celebrate and support local community events • Community groups and associations • Community infrastructure • Cultural diversity – RAP • Provide vibrant spaces • Public art • Resident welcome program • Safety program • Social engagement activities • Stockland CARE Grants • Stockland Exchange • Supply Nation • Support local community groups • Village/community directory

National partnerships

We contributed our time and financial investment of over $700,000 to our national community partnerships throughout FY18. An overview of our key national partnerships is provided below:

Heart Foundation

FY18 was the eighth year of our partnership with the Heart Foundation nationally.

	INPUT	OUTPUT	IMPACT	FUTURE
COMMUNITY	**Contribution** • Administration of walking groups at each site. • Some Stockland marketing and customer care employees administer and facilitate walking groups, while others participate. • $30,000 annual donation. **Focus Area** • Health and Wellbeing • Community Connection	• Total of 53,535 walks completed in FY18 • 24 active weekly walking groups, through 18 retail town centres and three retirement communities • 48 active host organisations through 26 retail town centres and 22 retirement communities • A total of 50 walking opportunities available through retail town centres each week and 16 walking opportunities available to retirement communities each week • 1,296 walkers from our local communities • 350 new participants and 1 new walking groups registered in FY18 • Participants completed an average of 40 walks each in FY18 with an average walk duration in the range of 45-60 minutes • Participants completed an average of 164 walks each with an average walk duration in the range of 45-60 since joining the program • Group specialties include: general community walks, parents with prams, workplace and retirement villages	• Residents and customers stay healthy and build new social connections and support networks. • Reduced feelings of isolation • Physical activity offers an effective, non-pharmacological, public health intervention for increasing and maintaining quality of life among older adults • Every one per cent increase in the proportion of sufficiently active adults could result in 122 fewer premature deaths and 1,764 years of life gained (Heart Foundation research) • Walking has mental health benefits with an Australian study showing daily walking can result in a 38 per cent lower risk of dementia in men [17]	• Expansion of partnership to include more residential and retirement village walking groups • Further expansion on the growing network of retail centre groups and promotion to the local communities • Leverage national Heart Week as a key opportunity to promote and grow existing Heart Foundation Walking groups, engage staff, and new Stockland properties as potential host organisations for the program • With 18 new Host Organisations a concerted effort will be made over the next six months to register groups and recruit walkers to the groups
BUSINESS		• Media coverage • Walkers volunteer time to assist centres with events and community engagements • Co-branded marketing materials and information on benefits • Industry recognition of alignment to partner	• Increased foot traffic in our centres, generating more business for our retailers • Increased brand recognition • Increased customer and community engagement	

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[17] Simons et al. (2006) 'Lifestyle factors and risk of dementia: Dubbo Study of the elderly' *The Medical Journal of Australia* 184(2): 68-70. Available at <https://www.mja.com.au/journal/2006/184/2/lifestyle-factors-and-risk-dementia-dubbo-study-elderly>

Bowls Australia

FY18 was the third year of our partnership with Bowls Australia (BA).

	INPUT	OUTPUT	IMPACT	FUTURE
COMMUNITY	**Contribution** • $72,500 contribution • Approximately 200 hours contribution from BA staff **Focus Area** • Health and Wellbeing • Community Connection • Education	• Six coaching clinics held by Australian Jackaroo representatives across Vic and SA • Four Men's Health coaching clinics held in Victoria • Six RDNS (now Bolton Clarke) Health and Wellbeing Sessions including Keeping Our Skin Healthy, Master Your Mind, Healthy Brain – Healthy Body, Peace of Mind – CPR Training	We did not conduct any participant surveys in FY18 as a means of measuring impact. In FY17 impact responses were gathered from 156 surveys captured at nominated bowls events and coaching clinics: • 95% of bowls event and coaching clinic attendees noted 'I enjoyed attending the event today' • 97% reported 'I would recommend future Stockland and Bowls Australia events to my friends and neighbours' • 91% reported 'I would like to attend future Stockland and Bowls Australia events' • 31% of participants were new to the sport • 77% of participants are existing bowlers and compete regularly • 82% of participants are existing bowlers and play socially with friends • 61% of participants learnt new skills and techniques • 90% of participants felt more connected to their friends and community	• BA to hold a minimum of six coaching clinics at nominated Stockland villages hosted by Australian Jackaroos • BA to survey coaching clinic participants as per FY17 • BA to work with Stockland's retail team to develop bowls activities in nominated retail town centres around Australia
BUSINESS		• Over 500 participants attended planned bowls events, coaching clinics and RDNS (now Bolton Clarke) sessions • $22,755 of media value was achieved at the 2017 Australian Open • The Bowls Show media exposure average audience of 418,000 across eight episodes dedicated to the 2017 Australian Open event	• The Bowls Australia website generated a total of 1,717 click throughs to Stockland Retirement Living digital marketing campaigns	

Live Life Get Active

FY18 was the fourth year of our partnership with Live Life Get Active (LLGA).

		INPUT	OUTPUT	IMPACT	FUTURE
COMMUNITY		**Contribution** • Free outdoor activity camps to promote fitter, healthier and happier communities • $422,400 in financial contributions **Focus Area** • Health and Wellbeing • Community Connection	• 4,200 hours of outdoor activity • 7,243 residents from the direct and surrounding suburbs engaged • 21 LLGA fitness camps in Stockland communities across NSW, Queensland and WA	Participants' health and wellbeing improvements include: • 5,155 kilograms lost • 6,009 centimetres lost from around the waists of members.	• LLGA is now reaching out to medical practices and hospitals in the local areas to promote the positive effects of outdoor exercise and Stockland's LLGA offering • New camps being investigated for implementation nationally • New camp confirmed for Gownbrae Retirement Village in Victoria commencing FY19 • Targeting retirement and retail town centres where co located in our residential communities to encourage membership
BUSINESS			• Media coverage • Low-cost, scalable projects run by program professionals nationally • Co-branding and promotion of Stockland on a weekly basis at 12 Stockland communities • Industry recognition for partnership with LLGA	• Engaged residents • Members enjoy a different activity mix to provide cardiovascular exercise, toning, mental clarity, flexibility, balance and personal focus	

Jamie's Ministry of Food

FY18 was the fifth year of our partnership with Jamie's Ministry of Food (JMOF).

	INPUT	OUTPUT	IMPACT	FUTURE
COMMUNITY	**Contribution** • $180,536 in annual operational support and rental abatement • Time in hours to facilitate partnership and development of kitchen sites • Advocacy of cause and partner **Focus Area** • Health and Wellbeing • Education • Community Connection	• Community based five and seven week cooking programs that teaches individuals the basics of how to prepare simple, healthy, fresh and affordable meals at Stockland Wetherill Park[18] • JMOF Mobile Kitchen in Queensland hosted at Stockland Burleigh Heads (Qld), Aura (Qld), Stockland Baldivis (WA) and Sienna Wood (WA) • Total of 1,267 participants attended the five or seven week programs, 191 volunteers and 225 hours/per week donated • Learn Your Fruit and Veg classes for school holidays held across five retirement living villages • Stockland Hillsview retirement village seven-week programs were attended by up to 35 residents each week. • Stockland Willowdale and Stockland Elara programs attended by 96 participants. • Men's Health week demonstrations attracted 120 participants (two villages) • 2,215 people participated in FY18 activities	• JMOF Mobile Kitchens and activations have provided a broad cross section of people from both the local and greater catchment areas with the opportunity to develop healthy habits • Increased social connectedness, particularly for socially isolated participants and participants with disabilities • Council and local community groups have been actively engaged to enable the program to reach those most at risk, with 45 per cent of participants attending Wetherill Park being concession card holders	• Continue to expand partnership with JMOF nationally, with a focus on opportunities across all three business units to support three focus areas • Expand Jamie Oliver's Learn Your Fruit and Veg program in residential, retirement and retail town centres • Expanding outreach programs in residential and retirement living • Continue to raise awareness with employees • Run five-week courses in Stockland head offices in Sydney, Brisbane and Melbourne
BUSINESS		• Media coverage • Community and customer events • Enhanced brand awareness • Engagement with local council, government ministers and health champions	• Increased brand recognition in FY18 – PR value estimated at $1.554 million • Increased community satisfaction in centres • Increased foot traffic in centres with some JMOF participants travelling up to 50kms to attend the course • Increased stakeholder engagement across the community, businesses, customers and retailers • Increased staff engagement through team building events with JMOF	

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[18] Closed in January 2018 at the end of the agreed three year term.

Touched by Olivia Foundation

FY18 was the third year of the Stockland CARE Foundation's partnership with the Touched by Olivia Foundation (TBO).

INPUT		OUTPUT	IMPACT	FUTURE
Contribution • $100,000 annual donation from the Stockland CARE Foundation Trust • $92,472 in workplace giving donations, customer and employee fundraising • In-kind donations in social enterprise café lease costs **Focus Area** • Health and Wellbeing • Community Connection	**COMMUNITY**	• Funding supported TBO resourcing requirements • A Livvi's Place was opened in our Sienna Wood residential community • Five new retail town centre inclusive playspaces delivered with two at Stockland Wendouree (Vic), two at Stockland Green Hills (NSW) and one at Stockland Rockhampton (Qld) • Contributed to design at Elara (NSW), Willowdale (NSW) Newport (Qld) Edgebrook (Vic) • Represented Stockland in the design and operational planning of the Vivid Sydney Tumbalong Lights installation • Received a grant of $1.25m from WA Government to build an inclusive playspace, influenced by the success of Sienna Wood • Ran a competition to have a book written by a child to promote the launch of Livvi's Place Sienna Wood • Donation of $100,000 from MJH Multi, a supplier introduced through Stockland	• Improved accessibility and inclusion within our assets • Increased social engagement on TBO social channels • Enhanced community connectivity and sense of belonging • Increased local employment and training opportunities at Livvi Places • Increased exposure to decision makers in Local Government which allows us building of scale and achieving more wide spread outcomes within communities	• All playspaces delivered in retail town centres to be compliant with the principles of inclusive play • Provide opportunities for social activations in retail playspaces • Increase accessible and inclusive industry standards • Continue to support TBO in 2018 to support the development of future inclusive playspaces
	BUSINESS	• Delivered a toolkit to assist Stockland staff to manage the design inclusive playspaces • Parli Play Date held in October 2017, attended by senior members of Stockland team and supported by 30 Federal MP's in Parliament House	• Increased accessibility and appeal of our assets to individuals and/or families with disabilities • Increased dwell time in centres with the potential to increase retail spend • Increased customer satisfaction	

Redkite

FY18 was the third year of the Stockland CARE Foundation's partnership with Redkite.

INPUT		OUTPUT	IMPACT	FUTURE
Contribution • $100,000 annual donation from the Stockland CARE Foundation Trust • $103,395 in workplace giving donations, customer and employee fundraising • $30,000 in corporate sponsorship for the annual Redkite Corporate Quiz • More than 60 volunteer hours from Stockland team members **Focus Area** • Health and Wellbeing • Community Connection	**COMMUNITY**	• As a result of Stockland's funding, Redkite was able to provide practical and/or emotional support services to 93 families at different stages of their child's cancer journey • Of the 93 families that Stockland supported, 75 received financial assistance grants, which help with the 'hidden' costs of cancer, such as fuel, transport, food and accommodation • Qualified social workers provided over a third of these families (or 38 families) with information, support and/or counselling services • Around a quarter of the families that Stockland supports (or 26 families) received education and/or career support from a professional Education and Career Support Consultant and/or through an education grant • Redkite resources (such as diagnosis packs, books and/or other practical resources) were provided to 53 families to help them better manage their cancer experience	Among individuals and families who received practical and/or emotional support services: • The majority (82 per cent) felt more equipped to support their family, and • 71 per cent felt more in control of their own or their child's care Among those who received financial assistance grants: • 89 per cent reported feeling more equipped to manage their situation, and • 82 per cent experienced reduced pressure on family relationships The impact among individuals and families who received information, support and/or counselling was substantial, with: • Over two thirds (67 per cent) reporting that they were able to stay connected with people close to them, and • The majority (74 per cent) reporting that they experienced reduced pressure on family relationships Among those young people who received education and/or career support: • All reported being better able to manage the impact cancer had on their education and/or career For individuals and families who received resources from Redkite: • About two thirds (66 per cent) felt these resources identified strategies to help manage their situation	• Support more children and young people facing cancer with essential services • Continue to expand partnership activities to collaborate across retail, residential and retirement village activities • Grow awareness program across Stockland retirement villages nationally • Continue to develop skilled volunteering program for Stockland teams
	BUSINESS	• Redkite facilitated awareness and thank you events at thirteen Retirement Living Villages nationally • Redkite supported CARE day at seven retail town centres • Redkite supported Family day at six retirement villages • Redkite supported activities at two residential sites	• Increased employee engagement • Increased customer satisfaction	

Conservation Volunteers Australia

FY18 was the third year of our partnership with Conservation Volunteers Australia.

		INPUT	OUTPUT	IMPACT	FUTURE
	COMMUNITY	**Contribution** • Annual partnership fee of $30,000 • 61 participants from six Stockland teams • 366 hours of volunteering time • In-kind digital marketing training (online) **Focus Area** • Health and Wellbeing • Community Connection	• 820 square metres area of exotic weeds removed from native habitat to improve biodiversity values • 575 native stems (trees, shrubs, grasses) planted to restore habitat for native species • 47 kilograms of rubbish removed to reduce the impact it has on habitat and detrimental effects on wildlife • 150 square metres of mulching laid, and 95 tree guards removed to improve biodiversity values • Four corporate team members commenced an online digital marketing course	• Critical improvements to the habitat of the critically endangered Eastern Curlew migratory shore bird at Towra Point, Sydney • Improvement of habitat values of one of Sydney's iconic parklands, Centennial Parklands • Marine debris removal and revegetation to improve the habitat for our marine life at Marmion Beach, Perth • Critical sand dune restoration at Congwong Beach re-establishing the native vegetation • Tree planting to improve habitat and connectivity at Westgate Park, Melbourne • Restoration and maintenance of indigenous flora & fauna at Latrobe Wildlife Sanctuary, Melbourne • Up-skilled corporate team in digital marketing, providing opportunities to further extend CVA's ability to promote our work through digital channels	• Conservation Volunteers are working to facilitate conservation days across Stockland locations nationally • Opportunities to collaborate on residential programs
	BUSINESS		• Team-building activities for our employees • Community/customer events • Website brand recognition	• Increased brand recognition • Increased community satisfaction in centres	

Australian Business and Community Network

FY18 was the 12th year that we have been a member of the Australian Business and Community Network (ABCN)

INPUT		OUTPUT	IMPACT	FUTURE
Contribution • $65,000 (excl. GST) membership fee • $28,000 donation to Scholarship Foundation (funds two ABCN Scholars to be awarded in November 2018) • 154 employee volunteers • 1,008 volunteer hours **Focus Area** • Education	**COMMUNITY**	• 479 students from 30 ABCN schools benefitted from mentoring provided by Stockland volunteers • Four Indigenous students from NSW, Vic, SA & WA were awarded an ABCN Scholarship, which were entirely funded from a donation provided by Stockland. These students all display very high academic potential in spite of significant disadvantage	• 95 per cent of students in the primary school reading program SPARK demonstrated an improvement in their reading skills • 98 per cent of students in the one-on-one program GOALS now realise the importance of setting goals for their future after participation versus 13 per cent before participation • 98 per cent of students in the Year 11 Aspirations program have a better understanding of employer requirements and key employability skills after participation versus 16 per cent before participation • 90 per cent of girls in the Focus female leadership program, saw themselves as a leader after participation versus 24 per cent before participation	• Focus on skilled volunteering opportunities with ABCN as part of Stockland's learning and development programs • Investigate expanding skilled volunteering opportunity to manage work experience program with ABCN students • Increase the number of ABCN facilitators • Increase participation from Stockland employees in assets outside of head offices • Two additional Stockland-funded ABCN Scholarships targeting Indigenous students to be awarded in November 2018
	BUSINESS	• 154 employees took part in the program in FY18 • A Stockland employee from Brisbane has participated in ABCN programs as a mentor or facilitator every year since 2008 • A NSW scholar performed the Acknowledgement of Country at Stockland's National Reconciliation Week morning tea in Sydney • Increased employee engagement • Increased confidence in mentoring, coaching and facilitation for Stockland employees	• Brand recognition amongst schools, students and other ABCN member companies • Increased understanding of the property industry amongst students who participate in the program	

Big Issue

FY18 was the second year of our partnership with The Big Issue.

INPUT		OUTPUT	IMPACT	FUTURE
Contribution • Annual partnership fee of $35,000 • 159 Stockland employees • 558 hours of volunteering time **Focus Area** • Health and Wellbeing • Community Connection	COMMUNITY	• 92 employees participated in a Women's Subscription Enterprise packing shift alongside disadvantaged women working in the program • 11 Stockland employees volunteered with our Community Street Soccer Program in Sydney, helping participants re-engage with the community • 56 team members prepared, cooked & served breakfast to magazine street vendors in Melbourne, Perth, Sydney and Brisbane	• 460 promotional packs mailed to Stockland network to increase awareness of job opportunities for homeless and disadvantaged women • New magazine subscriptions to The Big Issue magazine • Re-enforced message that the community cares about people who are doing it tough and are working to improve their lives • The Big Issue magazine street vendors provided with a hot, nutritious meal they otherwise may not have been able to afford	• The Big Issue is working on continued volunteering and partnership opportunities for Stockland staff nationally • Opportunities to collaborate on The Big Issue's Homes for Homes social enterprise
	BUSINESS	• Team-building activities for our employees • Community/customer events • Website brand recognition	• Increased brand recognition	

The National Theatre for Children

FY18 was the second year of the partnership with The National Theatre for Children (NTC).

INPUT		OUTPUT	IMPACT	FUTURE
Contribution • Free STEAM (Science, Technology, Engineering, Arts and Mathematics) education program, including live in-school performances, print and digital resources and LEGO® Education WeDo 2.0 robotic kits provided to schools across Stockland's targeted service areas • Financial contribution of $5,920 per primary school with a total financial year contribution of $144,760.00 **Focus Area** • Education • Community Connection	COMMUNITY	• 11,855 primary school students educated • 538 primary school teachers engaged • 24 primary schools visited across the program • 44 primary school performances • 96 *LEGO® Education* WeDo 2.0 robotic kits provided to schools	• Engagement of school students with STEAM education through storytelling, comedy and audience interaction • Hands on STEAM robotic projects running through the school year using LEGO® Education WeDo 2.0 • A STEM/Science Expo where students showcase the projects to the local community • Teachers rated the overall educational value of the program 6.13 out of 7 and 100 per cent of schools would like to see the program continue • Teachers rated the program as 6.19 out of 7 for ability to stimulate classroom discussion • Students excitement to be using the LEGO® Education WeDo 2.0 kits was rated as 6.55 out of 7	• Continue the STEAM program with LEGO® Education WeDo 2.0 kits and new education program for the 2019 school year • "Project Plant It" -an environmental in-school education program • Education program aligning with the Stockland Reconciliation Action Plan
	BUSINESS	• 4 major media news items including Channel 9 nightly news TV segment • Dedicated branded educational website providing eight online digital resources • Two online pre-program introduction videos and one online post-program promotional video	• 2,418 pageviews and 17,476 hits across the Stockland STEAM program website • 1,144 total opens of the Stockland STEAM program online educational games	

Strategic Programs

In addition to our national partnerships, we have provided below an overview of a key strategic employment program, the Green Hills Connectivity Centre.

Green Hills Connectivity Centre, Brookfield Multiplex/yourtown

FY18 was the third year of operation of the Green Hills Connectivity Centre, which closed in March 2018 on the completion of development work at Stockland Green Hills (NSW).

INPUT		OUTPUT	IMPACT	FUTURE
Contribution • Connectivity Centre is staffed by yourtown five days per week 9am – 5pm. • Contribution of approximately $13,500 in rent free allowance • Funding of Connectivity centre employees at a cost of $39,000. **Focus Area** • Education • Community connection	COMMUNITY	• Facilitate connections between local job seekers and employers (our construction contractor Multiplex and our sub-contractors and existing and new retailers) • Offered activities or workshops with a focus on 'soft skills' to support jobseekers as they transition to employment, which includes a customer service workshop and learner driver program • At the time of closure of the Connectivity Centre at the end of the development, 2590 jobseekers were registered as looking for work • 29 apprenticeships and 21 construction traineeships were managed by the Connectivity Centre	• Promoted and facilitated local employment and training in our communities • Over the course of the redevelopment, which spanned two years, the Connectivity Centre placed 183 people in jobs, exceeding its initial target of 100 • This included 10 local Multiplex trainees who all completed their traineeships and have since been offered full time work • Enhanced employment pool for retail, development and construction industry	• Local employment facilitated by local employment agencies and recruitment processes
	BUSINESS	• Stockland brand recognition through media coverage at launch event and local promotions • The Centre held an event celebrating the Connectivity Centre and its closure on the 26th March 2018. This was attended by a cross section of the community including Government representatives, Employment Services organisations, job seekers, retail tenants. • Strengthened stakeholder relationships with key stakeholder organisations • 3493 visits from individuals or organisational representatives over the duration of the program	• Engagement and employment support for retailers and construction partner Multiplex • Increased training and skill levels in talent pool for our stakeholders	

Stockland

National community development projects

Stockland CARE Grants Program

Our CARE Grants Program (formerly known as Stockland Community Grants Program) provides an easily accessible, structured criteria based platform for our assets and projects to give back to local communities and respond to sponsorship requests. It allows for increased engagement opportunities with local community groups, brand exposure and media coverage.

The CARE grants also allow us to track the impacts of our community investment, with grant winners required to provide updates on progress. In FY18 a total of 293 grants to the value of $274,941 was invested in local communities surrounding Stockland assets.

Commercial Property

- 294 applications received from local community organisations across 31 shopping centres;
- 101 grants awarded; and
- $86,828 invested into our local communities.

Residential

- 156 applications were received across 23 communities;
- 110 grants were awarded to local community organisations; and
- $110,000 invested into our local communities.

Retirement Living

- 101 applications received across 44 villages;
- 82 grants awarded to local community organisations; and
- $78,113 invested into our local communities.

BREAKDOWN OF GRANT WINNERS BY STOCKLAND FOCUS AREA IN THE FY18 CARE GRANTS ROUND

Pie chart: Waste and Materials 2%, Biodiversity 2%, Carbon and Energy 1%, Community Connection 40%, Education 17%, Health and Wellbeing 38%
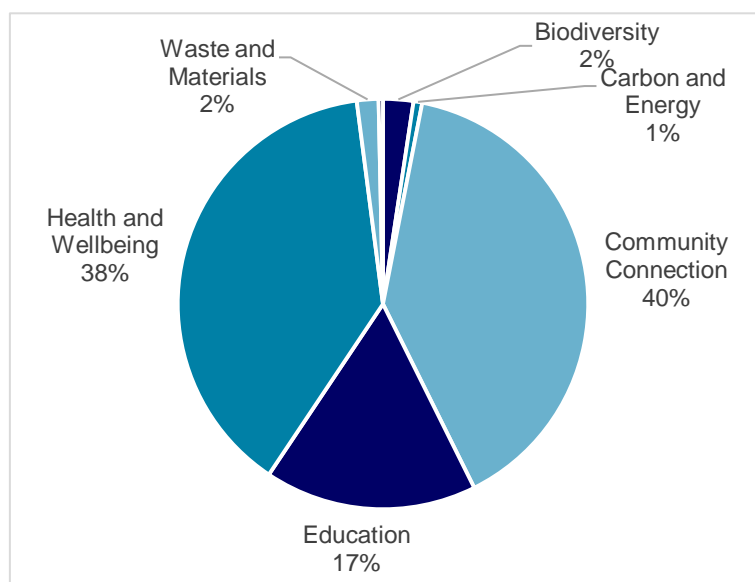
Community engagement

Retirement Living – Residents' Voice

The Residents' Voice survey is a comprehensive survey used to measure resident satisfaction whilst living in a Stockland retirement village. The survey is typically completed annually by over 6,000 residents.

We did not administer the Residents' Voice survey in FY18 because of changes to the timing of our research program from autumn to spring of each year (as foreshadowed in our FY17 sustainability reporting). We anticipate surveying again in September 2018 according to the new research timing and these results will be reported in our FY19 sustainability reporting. In FY18 we participated in an industry-wide survey of Australia's retirement communities conducted by McCrindle Baynes.

Residential – Liveability Index survey

We continue to conduct our Liveability Index Survey with residents across over 40 communities. Insights from this research are used to inform strategic planning of each community and our national community design guidelines.

The table below outlines the satisfaction of residents with the liveability of their communities. The Average resident satisfaction score has been used as the target for FY18 due to the strong correlation between the Liveability Index Score and resident satisfaction. Refer to the Customer Engagement and Experience Deep Dive for a description of our Liveability Index review and changes to targets in FY18.

ELEMENT	FY18	FY17	FY16	FY15
National Liveability Index Score[19]	NC	83%	84%	84%
Personal Wellbeing	77%	79%	80%	80%
Average resident satisfaction across our communities[20]	93%	93%	93%	93%

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[19] No direct comparison of Liveability Index Score in FY18 with historical data due to change in survey scale from 11 to 5 points.
[20] Based on percentage rating satisfaction as 6-10 out of 10.

Community investment

WORKPLACE GIVING

	FY18		FY17		FY16		FY15	
	AMOUNT DONATED	CHARITIES SUPPORTED	AMOUNT DONATED	CHARITIES SUPPORTED	AMOUNT DONATED	CHARITIES SUPPORTED	AMOUNT DONATED	CHARITIES SUPPORTED
Employee Donations[21]	$140,156		$127,231		$89,572		$84,988	
Corporate Dollar Matching[22]	$138,366	123	$123,966	107	$87,584	102	$84,988	103
TOTAL	**$278,522**	**123**	**$251,197**	**107**	**$177,156**	**102**	**$169,976**	**103**

VOLUNTEERING

	FY18			FY17			FY16		
	EMPLOYEES	TOTAL HOURS	PROXY FINANCIAL VALUE[23]	EMPLOYEES	TOTAL HOURS	PROXY FINANCIAL VALUE[24]	EMPLOYEES	TOTAL HOURS	PROXY FINANCIAL VALUE
Team Volunteering[25]	303	1,405	$123,935	322	1,566	$84,710	677	3,897	$181,367
Student Mentoring[26]	154	1,008	$88,938	140	957	$52,137	130	882	$41,060
Personal Volunteering[27]	143	282	$24,840	32	532	$27,668	36	302	$14,074
CARE Committees[28]	55	730	$64,371	32	923	$49,205	N/A	N/A	N/A
Foundation Fortnight 2017[29]	78	911	$80,359						
TOTAL	**480**[30]	**4,336**	**$382,443**	**459**	**4,009**	**$213,720**	**749**	**5,081**	**$238,285**

EMPLOYEE PARTICIPATION

	FY18	FY17	FY16	FY15
Workplace Giving Program[31]	32%	29%	26.0%	19.6%
Volunteering Program[32]	31%	31%	48.0%	21.0%

[21] Total employee donations made by full-time, part-time and permanent contract Stockland employees through Stockland's Workplace Giving Program.

[22] Total amount of matched funds donated by Stockland to various charities in FY18 through Stockland's Workplace Giving Program.

[23] Calculated using LBG (now known as Corporate Citizenship) standard values.

[24] Calculated using LBG (now known as Corporate Citizenship) standard values.

[25] Includes total number of employees and hours that Stockland employees have participated in a team volunteering day with a not-for-profit organisation. Proxy financial values for FY17 are determined by the number of hours multiplied by the average hourly remuneration rate as included in Corporate Citizenship's guidance manual for FY18 ($88.21).

[26] Facilitated student mentoring programs run in partnership with the Australian Business and Community Network (ABCN) and offered to Stockland employees in FY18 in NSW, WA, Queensland and Victoria.

[27] Number of individual employees who took up personal volunteering leave in FY18 by taking up to 2 days of annual leave to volunteer their time to a charity of their choice. Personal volunteering details including the number of hours volunteered and chosen charity must be logged in Stockland's HR system and approved by the individual's manager.

[28] Number of individual employees who sat on state based employee Committees to facilitate activation of community and Foundation activities in their local areas.

[29]This category refers to Stockland employees volunteering at internal activations for the Stockland CARE Foundation.

[30] This figure has had duplicates across the volunteering programs removed.

[31] Total number of individual employees who participated in Stockland's Workplace Giving Program in FY18 as an ongoing or one-off donor as a percentage of total average workforce for FY18.

[32] Total number of individual employees who have participated in Stockland's team volunteering program, student mentoring or personal volunteering programs as a percentage of Stockland's total average workforce for FY18.

Environmental Data Pack

FY18

Background notes

As a property owner and developer, acquisitions, divestments and development activity within a given year can significantly impact our environmental performance. The table below provides an overview of the activity profile for each of our businesses and how this affects our environmental data.

	ACTIVITY PROFILE	ENERGY AND EMISSIONS	NATURAL RESOURCES
Group operations	Internal corporate operations.	Unless there are significant changes to the tenancies that we operate from, minor fluctuations generally reflect external factors beyond our control. Scope 1: Vehicle fleet fuel. Scope 2: Purchased electricity. Scope 3: Hire car, airline and rental car travel.	The water, waste and other natural resources are typically managed by the base building that we are tenanting. Where we are a tenant within our own building, these resources are reported under the base building.
Commercial Property	Operating our Retail Town Centre, Workplace and Logistics assets.	Unless there are significant changes to our portfolio, or key infrastructure upgrades/installations, changes generally reflect energy efficiency programs and initiatives. Scope 1: Gas consumption, refrigerants. Scope 2: Purchased electricity. Scope 3: Transmission losses, operational waste.	Unless there are significant changes to our portfolio, changes reflect water efficiency programs and initiatives, tenancy mix, water leakages, or changes to asset management arrangements. Water: Potable water consumption. Waste: Operational waste, development construction waste.
Communities	Development of our projects and communities, predominantly undertaken by our residential and retirement living communities contractors.	Increased civil works activity has a direct correlation with increased energy and emissions. In periods where we are actively developing our assets, our emissions profile is higher. Scope 1: Emissions from gas and fuel consumption and explosives reported by our contractors, and our direct gas consumption. Scope 2: Emissions from electricity consumption reported by our contractors, and our purchased electricity. Scope 3: Transmission losses.	Increased civil works activity has a direct correlation with increased water consumption. In periods where we are actively developing our assets, our water consumption, and particularly that of our residential contractors, is higher. Increased finishing works (landscaping and upgrades in our retirement living communities) also contribute to increased water consumption, and retirement living contractors generally undertake these works. Water: Potable and non-potable water consumption reported by our contractors, and our direct water consumption. Waste: Waste generation reported by our contractors. Biodiversity metrics vary and reflect the specific characteristics of our residential communities projects.

In this document you will find:

	ACTIVITY PROFILE	ENERGY AND EMISSIONS	NATURAL RESOURCES
Communities	Operating our retirement living communities.	Unless there are significant changes to our portfolio (e.g. the acquisition of Aevum in FY11 which nearly doubled the size of our Retirement Living business) annual changes generally reflect energy efficiency programs and initiatives, climatic conditions (i.e. milder temperatures reduce energy demand), unit vacancy and development villages opening to residents. Scope 1: Our direct gas consumption (can include our residents' consumption where a village is not sub-metered). Scope 2: Our direct consumption of purchased electricity (can include our residents' consumption where a village is not sub-metered). Scope 3: Transmission losses.	Unless there are significant changes to our portfolio (e.g. the acquisition of Aevum in FY11 which nearly doubled the size of our Retirement Living business) annual changes reflect water efficiency programs and initiatives and development villages opening to residents. Water: Water consumption.

Environmental impacts from transport are not considered material for our organisation. While we report on Scope 3 emissions as it relates to air and ground transport during business hours, we have excluded employee transport to work due to data reporting challenges. Similarly we have excluded our supply chain's movement of goods and materials on our behalf.

Carbon and energy

Carbon and energy data within this document is to be read in conjunction with our Carbon and Energy Deep Dive available on our website.

Boundary and methodology

We report our Scope 1 and Scope 2 emissions according to our operational control boundary under the National Greenhouse and Energy Reporting Act 2007 (NGER Act). We voluntarily report select Scope 3 emissions in accordance with the GHG Protocol Corporate Standard. All of our operations are based in Australia.

SCOPE	BOUNDARY
Scope 1	Direct emissions, i.e. emissions from fuels that are combusted on site (including natural gas, diesel and petrol from fleet) as well as refrigerant leakage. Direct emissions reported by contractors where we have operational control (typically residential community projects). Contractors are required to supply their gas and fuel consumption data as part of monthly reporting. Emissions from gas consumption across the Retail Town Centre, Workplace, Logistics, Residential and Retirement Living assets for which we have operational control. For those assets that have missing invoices estimates are provided. Tenant gas usage is not included except where we are the tenant.
Scope 2	Indirect emissions from the consumption of electricity only. Indirect emissions reported by contractors where we have operational control (typically residential community projects). Contractors are required to supply their electricity consumption data as part of monthly reporting. Emissions from base building electricity across the Retail Town Centre, Workplace, Logistics, Residential and Retirement Living assets for which we have operational control. For those assets that have missing invoices estimates are provided. Tenant electricity usage is not included except where we are the tenant.
Scope 3	Other indirect emissions, including hire cars, rental vehicles and airline travel, transmission and production losses from purchased electricity, gas and fleet fuel and operational waste from our Commercial Property portfolio.

Notes:

- Development contractor resource and energy data is provided to us by third party contractors in accordance with NGER Act reporting requirements.
- Logistics data is predominantly related to vacant spaces or minimal external and internal common area lighting. Due to the high volatility of this energy and water consumption, setting meaningful targets becomes difficult. Additionally there are currently no industry standards and therefore we have decided not to set targets for our Logistics portfolio.

- Stockland has embedded networks within our assets, and the usage of our residents and tenants is removed where the usage is outside of our Operational Control under NGER Act. 24 retail town centres and 21 retirement living communities have embedded networks.

Emissions

TOTAL GREENHOUSE GAS EMISSIONS (tCO$_2$-e)

	FY18	FY17	FY16	FY15	FY14
Stockland group total Scope 1	25,453	26,884	35,036	26,368	22,102
Stockland group total Scope 2	82,591	87,860	89,881	97,763	99,927
Stockland group total Scope 1+2 emissions	108,044	114,743	124,917	124,131	122,029

TOTAL SCOPE 1 EMISSIONS (tCO$_2$-e)

	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks base building gas	1,160	1,010	1,080	999	832
Logistics centres gas	-	-	–	–	1
Retail Town Centres gas	1,487	1,451	398[1]	185	97
Vehicle fleet fuel	88	84	86	84	87
Refrigerants leaked	3,203	3,224	3,091	2,783	2,380
Residential sites fuel & gas[2]	69	52	10	15	19
Residential contractors fuel and gas	18,666	20,278[3]	29,525[4]	21,626	18,142
Retirement living communities gas	780	745	487	591	377
Retirement living contractors fuel, gas	-[5]	393	360	86	165
Total Scope 1 emissions	25,453	26,884	35,036	26,368	22,102

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[1] Gas increase due to the removal of electric duct heaters to efficient central boiler heating system.
[2] FY17 onwards includes fuel (for residential site office usage), whereas previous years only consumed gas.
[3] Construction activities across master planned residential communities transition from civil works in FY16 to residential lots in FY17.
[4] Figures reflect our activity profile: continuing increased development activity on existing and new sites.
[5] No development works in our Retirement Living business were considered to be within our operational control boundary in FY18.

Scope 1 emissions by business unit

Communities (Residential) constitutes the largest proportion of our Scope 1 emissions due to contractor construction activity across our developments.

SCOPE 1 EMISSIONS BY BUSINESS UNIT

Corporate, 0%
Communities (Retirement Living), 3%
Commerical Property, 23%
Communities (Residential), 74%
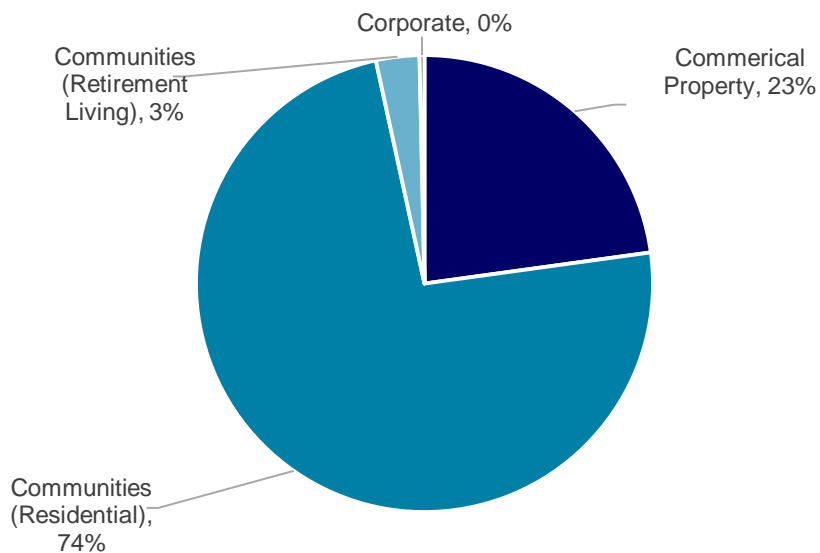
TOTAL SCOPE 2 EMISSIONS (tCO₂-e)

	FY18	FY17	FY16	FY15	FY14
Corporate tenancies electricity	1,421	1,418	1,353	1,372	1,406
Workplace and Business Parks base building electricity	17,603	18,350	19,657	22,981	23,161
Logistics centres electricity	4,254	4,321	1,291	2,048	2,998
Retail Town Centres electricity	51,032	54,327	58,839	63,134[6]	57,957
Residential sites electricity	1,413	1,413	1,515	1,573	1,852
Residential contractors electricity	84	147	299	315	632
Retirement living communities electricity	6,785	7,874	6,918	6,323	11,870
Retirement living contractors electricity	-[7]	8	8	16	51
Total Scope 2 emissions	**82,592[8]**	**87,860**	**89,881**	**97,763**	**99,927**

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[6] Retail Town Centre emissions increases in FY15 because of new acquisitions and centre expansions.
[7] No development works in our Retirement Living business were considered to be within our operational control boundary in FY18.
[8] This figure (82,592) varies from the Scope 2 emissions figure provided on page 3 (82,591) because of rounding in this table.

Scope 2 emissions by business unit

Commercial Property constitutes our largest proportion of scope 2 emissions and remains the focus of our strategic energy efficiency initiatives. See our Carbon and Energy Deep Dive for further information on initiatives that contributed to our FY18 performance.

SCOPE 2 EMISSIONS BY BUSINESS UNIT

Communities (Retirement Living), 8%

Corporate, 2%

Communities (Residential), 2%

Commerical Property, 88%
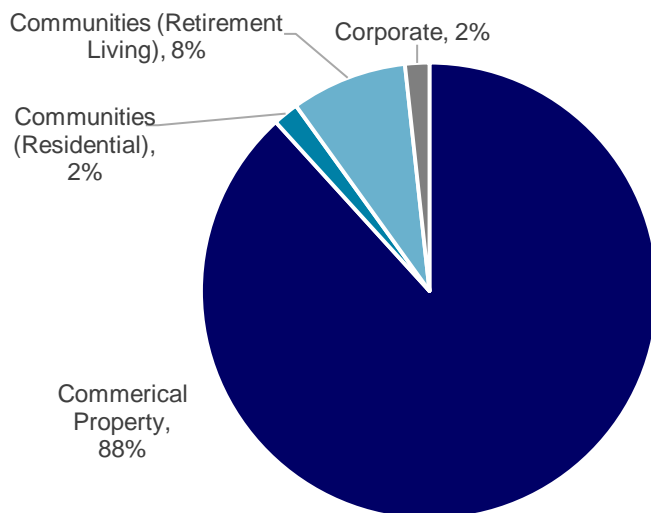
TOTAL SCOPE 3 (tCO$_2$-e)

	FY18	FY17	FY16	FY15	FY14
Total transmission and production losses (from purchased electricity, gas and fleet fuel)	13,216	14,675	14,782	17,255	19,861
Waste disposal[9]	14,892	11,990	20,571	NA	NA
Vehicle hire and hire car travel	64	35	42	51	52
Airline travel	5,694	4,415	4,233	3,695	3,644
Total scope 3 emissions	**33,866**	**31,115**	**39,628**	**21,002**	**23,556**

[9] From FY16 we expanded our boundary to include scope 3 emissions from waste generated at our commercial property assets.

Emissions intensity

We track our emissions on an intensity basis as this helps represent the greenhouse gas emissions from our Commercial Property portfolio in a way that is isolated from the increases and decreases in emissions due to investments, divestments and vacancies. Intensity metrics are based on the standard measures of net lettable area (NLA) or gross lettable area (GLA) in square metres (where appropriate for each asset class). Emissions intensities only apply to stable operating assets such as the Commercial Property portfolio.

GREENHOUSE GAS EMISSIONS INTENSITY ($kgCO_2$-e/m^2)[10]

	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks base buildings	**60.41**	**61.7**	**64.98**	**67.32**	**67.55**
Floor area (NLA) of buildings in intensity metric (m^2)	310,586	313,830	320,943[11]	356,060	355,073
% portfolio in intensity metric	100%	100%	100%	100%	100%
Retail Town Centres base buildings	**49.54**	**52.92**	**56.58**	**58.32**	**59.34**
Floor area (GLA) of buildings in intensity metric (m^2)	1,056,205	1,054,234	1,047,054	1,014,045	978,257
% portfolio in intensity metric	100%	100%	100%	100%	100%
Commercial Property[12]	**52.00**	**54.93**	**58.55**	**60.66**	**61.52**
Floor area of buildings in intensity metric (m^2)	1,366,882	1,368,011	1,366,279	1,370,119	1,333,330
% portfolio in intensity metric	100%	100%	100%	100%	100%

GREENHOUSE GAS EMISSIONS INTENSITY ($kgCO_2$-e/m^2)
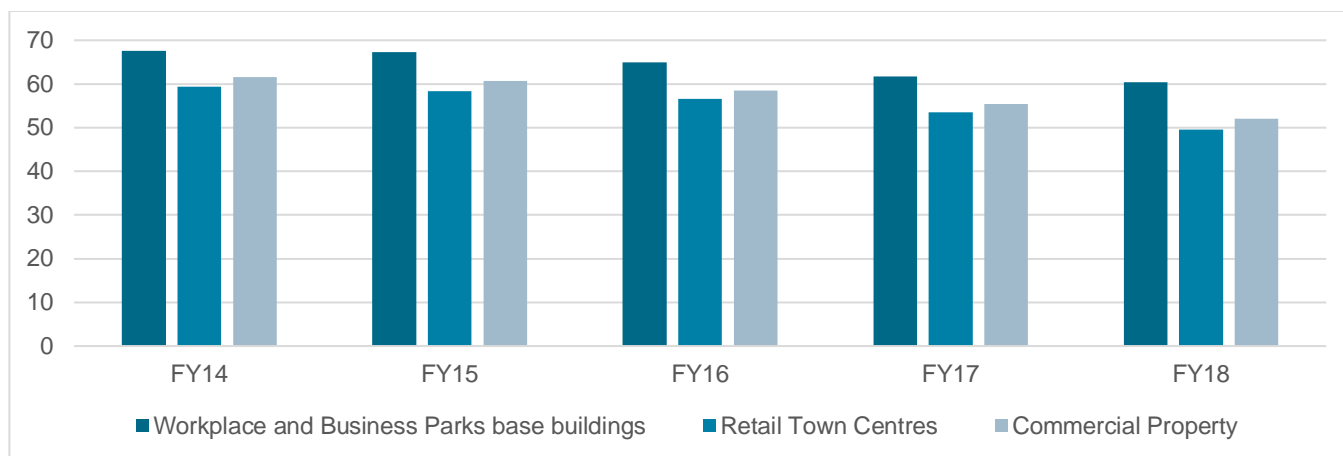
■ Workplace and Business Parks base buildings   ■ Retail Town Centres   ■ Commercial Property

EMISSIONS INTENSITY REDUCTIONS

	ANNUAL INTENSITY CHANGE (%)				
	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks	-2%	-5%	-4%	0%	-6%
Retail Town Centres	-6%	-6%	-3%	-2%	-4%
Commercial Property	-5%	-6%	-4%	-1%	-5%

[10] Based on scope 1 and 2 emissions, excluding all refrigerants.
[11] Area-weighted intensity combination of Workplace and Business Parks assets.
[12] Combined Workplace, Business Parks, and Retail Town Centres.

Other emissions

Stockland's emissions of ozone-depleting substances are minimal and not considered material for reporting.

NOx and SOx are material for property companies that operate key generation plants including trigeneration. Stockland has Scope 2 exposure to trigeneration, and is not in control of this plant, so we do not report emissions from generation, as per other energy generation.

Energy consumption

This section details the consumption of specific energy types across the three businesses and group operations. These are the sources of the greenhouse gas emissions reported under scope 1 and 2.

Electricity

PURCHASED ELECTRICITY (kWh)

	FY18	FY17	FY16	FY15	FY14
Corporate tenancies	1,665,878	1,648,037	1,556,157	1,538,236	1,564,314
Workplace and Business Parks base buildings	21,644,622	22,255,609	24,120,329	27,759,472	27,627,604
Logistics centres	5,189,496	5,129,175	1,577,286	2,416,170	3,474,882
Retail Town Centres	60,791,065	64,878,522	69,088,256	72,666,207	65,017,061
Residential sites	1,695,059	1,729,655	1,824,740	1,841,916	2,265,986
Residential contractors	102,385	180,211	331,110	437,697	619,789
Retirement living communities	7,887,931	8,876,288	7,859,963	6,888,485[13]	12,045,323
Retirement living contractors	-[14]	7,438	6,962	16,264	73,001
Total	**98,976,436**	**103,242,404**	**106,364,804**	**113,564,446**	**112,687,960**

ELECTRICITY INTENSITY (kWh/m^2)

	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks base buildings	**69.68**	**70.96**	**75.77**	**77.91**	**77.8**
Floor area (NLA) of buildings in intensity metric (m2)[15]	310,658	313,700	320,097	356,118	354,955
% of portfolio covered in intensity metric	100%	100%	100%	100%	100%
Retail Town Centres	**57.32**	**61.79**	**65.98**	**66.27**	**66.45**
Floor area (GLA) of buildings in intensity metric (m^2)	1,056,145	1,050,411	1,047,054	1,014,074	978,256
% of portfolio covered in intensity metric	100%	100%	100%	100%	100%
Commercial Property[16]	**60.13**	**63.89**	**68.26**	**69.30**	**69.47**
Floor area of buildings in intensity metric (m^2)	1,366,791	1,364,156	1,365,954	1,370,177	1,333,211
% of portfolio covered in intensity metric	100%	100%	100%	100%	100%

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[13] Retirement living data source improvements were implemented in FY15. This included drawing electricity consumption data directly from our embedded electricity networks which permits us to separate resident use from Stockland use at villages where we have embedded networks. This has resulted in a noticeable reduction in reportable energy use for the Retirement Living business. In addition, the retirement living asset divestments and exit from the Aged Care business in FY15 accounted for a further 24 per cent drop in electricity consumed compared to FY14.
[14] No development works in our Retirement Living business were considered to be within our operational control boundary in FY18.
[15] NLA – Net Lettable Area; GLA – Gross Lettable Area.
[16] Area weighted intensity combination of Workplace, Business Parks, and Retail Town Centre assets.

ELECTRICITY INTENSITY REDUCTIONS

	ANNUAL INTENSITY CHANGE (%)				
	FY18	**FY17**	**FY16**	**FY15**	**FY14**
Workplace and Business Parks	-2%	-6%	-3%	0%	-3%
Retail Town Centres	-7%	-6%	0%	0%	-1%
Commercial Property [17]	-6%	-6%	-2%	0%	-2%

RENEWABLES GENERATION

	FY18	**FY17**	**FY16**	**FY15**	**FY14**
Solar generation (kWh) [18]	3,274,463	2,387,168	1,940,689	292,124	175,374
Solar capacity installed (at period end) (kW)	4,360	2,260	1,360	1,360	50

Fuels

GAS CONSUMPTION (MJ)

	FY18	**FY17**	**FY16**	**FY15**	**FY14**
Workplace and Business Parks base buildings	22,503,346	19,605,661	20,949,926	19,456,794	16,211,993
Logistics centres	0	0	0	0	27,986
Retail Town Centres	28,850,605	28,164,870 [19]	7,726,710	3,607,633	1,898,574
Residential sites	184,905	231,633	196,216	261,852	331,020
Residential contractors	0	0	0	200	2,993
Retirement living communities	15,137,631	14,448,049 [20]	9,451,522	7,177,497	7,119,574
Retirement living contractors	0	0	0	0	0
Total	**66,676,487**	**62,450,212**	**38,324,374**	**30,503,976**	**25,592,140**

FUEL CONSUMPTION [21]

	FY18	**FY17**	**FY16**	**FY15**	**FY14**
Diesel (L)	6,770,937	7,356,552	10,344,491	7,714,541	6,597,215
Bio diesel (L)	2,395	2,070	525,463	566,473	236,637
Petrol (L)	133,092	129,554	169,636	257,135	155,275
Ethanol (L)	8,636	8,451	4,689	2,102	5,486
LPG (L)	1,375	246	556	26	81
Oil (L)	37,291	42,802	71,973	94,981	63,939
Grease (kg)	17,386	32,592	66,070	65,703	32,541

[17] Area-weighted intensity combination of Workplace, Business Parks, and Retail Town Centre assets.
[18] Figures relate to total electricity generation from photovoltaic power within financial year.
[19] Increase due to additional meters being found during embedded network assurance exercise.
[20] Increase in retirement living village gas consumption primarily associated with villages transitioning from externally managed to internally managed and villages under development transitioning to operational facilities.
[21] Comprises corporate fleet fuel, and residential and retirement living contractor fuel consumption.

Biodiversity

Biodiversity data presented in this section is to be read in conjunction with our Biodiversity Deep Dive available on our website.

BIODIVERSITY IMPACT AND MANAGEMENT

	FY18	FY17	FY16	FY15	FY14
PORTFOLIO					
Total projects with masterplan approval [22]	30	36	31	39	42
Total land area (ha)	9,088	10,312	8,637	12,302	7,303
BIODIVERSITY IMPACT					
Total projects with areas of significant biodiversity value [23]	20	25	25	30	20
Total land area of significant biodiversity value (ha)	1,410	1,972	1,332	1,736	1,198
Total land area of significant biodiversity value to be cleared (ha)	576	587	425	639	655
Total land area to be conserved for biodiversity, including onsite and offsite (ha)	2,202	1,972	1,750	NA	NA
BIODIVERSITY MANAGEMENT					
Total projects with areas of significant biodiversity value that have a biodiversity management plan	85%	48%	58% [24]	100%	100%
Total land area to be regenerated, revegetated, restored or rehabilitated on ground or through offsets (ha)	1,671	1,567	1,641	1,581 [25]	358.5
Total projects working with community and non-governmental organisations	3	3	6	5	1

PROJECTS WITH AREAS OF SIGNIFICANT BIODIVERSITY VALUE

The below table shows residential communities projects with areas of significant biodiversity value that have an approved masterplan. The change in biodiversity value refers to projects that have been assessed under our biodiversity calculator since it was developed in FY15.

REGION	DEVELOPMENT	LOCATION	TOTAL LAND (HA)	TOTAL BIODIVERSITY AREA APPROX (HA)	CHANGE IN BIODIVERSITY VALUE [26]
Victoria	Allura	Truganina	140	17.5	
	Cloverton	Kalkallo	1141	300	+18.05
	Edgebrook	Clyde North	65.118	1	+8.62
	Highlands	Craigieburn	978.4	43.9	
	Mernda Villages	Mernda	202.47	41.15	
	Mt Atkinson	Truganina	319.4	38.66	+11.94
	The Grove	Tarneit	235	29	+4.11

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[22] Our biodiversity results are representative of our residential projects that have received masterplan approval and/or were active developments as at 30 June 2018.
[23] As defined by the relevant state or federal legislation. All of our projects that with significant biodiversity on site are required to develop a biodiversity management plan (see Biodiversity Deep Dive).
[24] This has decreased from FY15 as the previous year's reporting included a commitment to prepare a biodiversity management plan. Since FY15 we have reported on the percentage of those projects that have actually prepared a biodiversity management plan as at 30 June 2018. Note that all of our projects without a biodiversity management plan have made a commitment to develop one and will do so at the appropriate phase of the development.
[25] In FY15, this section has been expanded to include land onsite and offsite offsets as this is the key method in balancing the provision of ecological habitats with development activities.
[26] The biodiversity calculator is only used in projects that are approved from FY15. Projects without a change in biodiversity value were approved prior to FY15.

REGION	DEVELOPMENT	LOCATION	TOTAL LAND (HA)	TOTAL BIODIVERSITY AREA APPROX (HA)	CHANGE IN BIODIVERSITY VALUE[26]
Western Australia	Amberton	Eglington	198	20	
	Calleya	Banjup	145	12.2	+3.2
	Sienna Wood	Perth	330	7.4	
	Vale (WA)	Aveley	541	50	
New South Wales	Altrove	Sydney	50	1	+2.7
	Willowdale	Leppington	350	100	+1.32
Queensland	Augustine Heights	Augustine Heights	183	47	
	Bokarina Beach	Sunshine Coast	30	5	+3.68
	Aura	Caloundra	1595	300	
	Foreshore	Coomera	116	51	+7.02
	North Shore	Burdell	1031	275	
	Pallara	Brisbane	122.462	32	+27.59
	Vale (Qld)	Waterford	54.4	37.77	

Water management and quality

Water data in this section is to be read in conjunction with our Water Management Deep Dive available on our website.

Boundary and methodology

We report our water consumption according to our operational control boundary under the NGER Act. Communities water consumption results are provided by collecting and collating water use from invoices. Where invoices are unavailable or extend across financial years, estimates are provided for relevant periods. Water consumption by contractors operating on our development sites is compiled using invoice data and estimates, supplied by contractors through monthly health, safety and environment reports. Data has been reported for 100 per cent of properties this year. These figures are based on a combination of contractor estimates and invoice data. Reported non-potable consumption includes rainwater tanks and bore water.

Water consumption

COMMUNITIES WATER CONSUMPTION (kL)

Communities water data varies from year to year due to activities such as filling lakes in large developments and location specific variables such as natural rainfall, project life cycles, market conditions, site management techniques and local landscaping requirements set by councils.

	FY18	FY17	FY16	FY15	FY14
Residential sites	620,654	546,670	600,623	353,620	297,826
Retirement living communities	1,683,353	1,463,459[27]	58,158	48,500	162,930
Contractors – Residential	392,940	577,592[28]	1,948,614	1,469,853[29]	351,046
Contractors – Retirement Living	0[30]	573[31]	8,985	49,285	216,910
Total	**2,696,947**	**2,588,294**	**2,616,380[32]**	**1,921,258**	**1,028,712**

COMMUNITIES WATER CONSUMPTION – POTABLE AND NON POTABLE (kL)

POTABLE					
	FY18	FY17	FY16	FY15	FY14
Residential sites	149,872	173,841	171,830	53,233	16,562
Retirement living communities	1,683,353	1,463,459	58,158	48,500	162,930
Contractors – residential	113,264	232,585	829,592	644,034	127,198
Contractors – retirement living	0[29]	327	8,682	38,897	188,000
Total	**1,946,489**	**1,870,212**	**1,068,262**	**784,664**	**494,690**

NON-POTABLE					
	FY18	FY17	FY16	FY15	FY14
Residential sites	470,782	372,829	428,793	300,387	281,264
Retirement living communities	0	0	0	0	0
Contractors – residential	279,675	345,007	1,119,022	825,820	223,849
Contractors – retirement living	0[29]	246	303	10,388	28,910
Total	**750,457**	**718,082**	**1,548,118**	**1,136,594**	**534,023**

[27] A combination of more operational sites and increased data capture in FY17 has translated to an increase in comparison to previous years for Retirement Living.
[28] Large civil works in FY16 for master planned communities have reduced in FY17 across developments such as Aura (Qld), Cloverton (Vic) and Calleya (WA).
[29] Residential contractor water data varies from year to year due to activities such as filling lakes in large developments and location specific variables such as natural rainfall, project life cycles, market conditions, site management techniques and local landscaping requirements set by councils. Furthermore, contractors self-report water data, which means we do not review each contractor's data collection processes. In FY15, we completed a comprehensive review of data sets provided to us by contractors, which provided a higher level of accuracy than in previous years.
[30] No development works in our Retirement Living business were considered to be within our operational control boundary in FY18.
[31] Decrease in Retirement Living contractor consumption due to management of site and reporting by principal contractor.
[32] We experienced an increase in both potable and non-potable water consumption due to new residential developments that commenced at the close of FY15 and during FY16.

COMMERCIAL PROPERTY WATER CONSUMPTION (kL)

	FY18	FY17	FY16	FY15	FY14
Workplace and Logistics	202,002	223,328	220,704	232,249	271,905
Retail Town Centres	1,097,238	1,112,672	1,153,565	1,096,808	1,077,563
Total Commercial Property	**1,299,240**	**1,336,000**	**1,374,269**	**1,329,057**	**1,349,468**

Water consumption intensity

Intensity figures in Commercial Property are derived from the total water consumption for each asset class over the year divided by the total floor area. Retail Town Centre and Workplace assets without a full 12 months of data include estimates for the missing months.

COMMERCIAL PROPERTY WATER CONSUMPTION INTENSITY (kL/m^2)

	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks	0.55	0.62	0.65[33]	0.58	0.63
Retail Town Centres	1.04	1.09	1.11	1.1	1.1
Total Commercial Property[34]	**0.94**	**0.98**	**1**	**0.96**	**0.98**

COMMERCIAL PROPERTY WATER CONSUMPTION INTENSITY REDUCTIONS

	ANNUAL INTENSITY CHANGE (%)				
	FY18	FY17	FY16	FY15	FY14
Workplace and Business Parks	-11%	-5%	12%	-8%	0%
Retail Town Centres	-5%	-2%	0%	0%	7%
Total Commercial Property	**-4%**	**-2%**	**4%**	**-2%**	**7%**

[33] Water usage increase due to various water leaks and an increase in irrigation due to new landscapes.
[34] Consumption Intensity data calculated based on Workplace and Business Parks, and Retail Town Centre consumption figures only. Does not include Logistics.

Waste

Waste data in this section is to be read in conjunction with the Waste and Materials Deep Dive available on our website.

Boundary

We report against the same NGER Act operational control boundary that we use for energy and water. We report on all properties within this boundary, with the exception of some properties where our tenants run their own waste contracts. We also report on a small number of additional properties that fall out of our NGER Act boundary, but where we manage the waste contract for service provision purposes. Data provid/ed by waste contractors is based on estimates (bin volumes converted to tonnes rather than weighed).

Operational waste

OPERATIONAL WASTE (TONNES)

	RETAIL TOWN CENTRES					WORKPLACE AND BUSINESS PARKS				
	FY18	FY17[35]	FY16	FY15	FY14	FY18	FY17[35]	FY16	FY15	FY14
Total waste	17,577	17,351	17,895	16,717	16,809	1043	1,193	1,182	1,298	1,607
Total waste to landfill	11,730	11,969	10,858	11,537	11,549	661	739	680	806	763
Total waste recycled	5,846	5,382	7,038	5,181	5,260	383	454	502	491	944
Diversion from landfill (%)	33	31	39	31	31	37	38	42	38	53
% portfolio reporting	97	95	95	95	95	85	85	100	80	100

Development waste

Commercial Property

Our Commercial Property development construction waste is calculated based on the total number of projects for which we are the developer. Active waste is tracked through the builders, as for these sites the principal contractor has active control.

There have been no significant workplace developments since FY12.

RETAIL TOWN CENTRES DEVELOPMENT WASTE (TONNES)

	FY18	FY17	FY16	FY15	FY14
Total waste	4,371	1,396	3,253	6,428	4,453
Waste recycled	3,910	678	2,684	5,940	3,778
Waste to landfill	461	718	569	487	924
Diversion from landfill	89%	49%	83%	92%	85%
Developments included (% by project value)	100%	96%	100%	100%	100%

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[35] FY17 data restated due to contractor reporting error.

Communities

All Communities waste data was provided by contractors operating on our development sites during the reporting period. Data is estimated by contractors and is collected from monthly health, safety and environment reports submitted to us by our contractors for all developments within our operational control.

COMMUNITIES CONTRACTOR WASTE (TONNES)

	FY18	FY17	FY16	FY15	FY14
Total waste	19,625	41,237	35,424	82,033	80,135
Waste diverted from landfill	18,441	39,923	33,881	78,415	78,149
Waste sent to landfill	1,184	1,314	1,542	3,617	1,986
Diversion from landfill	94%	97%	96%	96%	98%

Asset ratings and certifications

The tables below list ratings and certifications achieved across our portfolio, focusing on Green Star and NABERS[36] rating tools. Information on achievements specific to FY18 are provided in our Asset Rating and Certification Deep Dive. Information on our use of ratings and certifications across our portfolio is provided in Our Management Approach to Asset Rating and Certification.

Green Star – Performance

Green Star – Performance is a voluntary certification that rates building performance in operation.

GREEN STAR – PERFORMANCE, RETAIL TOWN CENTRES

BUILDING NAME	POTABLE WATER (kL/m²/ANNUM)	GHG EMISSIONS (kg/CO₂-e/ANNUM)	POINTS AWARDED	RATING
Stockland Jesmond (NSW)	1.21	58	31.5	3 Star
Stockland Bathurst (NSW)	0.57	41	30.5	3 Star
Stockland Glendale (NSW)	0.89	14	40	3 Star
Stockland Baulkham Hills (NSW)	1.72	76	28	2 Star
Stockland Forster (NSW)	0.62	9	40.5	3 Star
Stockland Nowra (NSW)	0.61	38	35	3 Star
Stockland Rockhampton (Qld)	1.65	111	27.5	2 Star
Stockland Caloundra (Qld)	0.54	41	34.5	3 Star
Stockland Green Hills (NSW)	1.08	72	30.5	3 Star
Stockland Shellharbour (NSW)	1.55	80	29.5	2 Star
Stockland Townsville (Qld)	1.58	135	29	2 Star
Stockland Gladstone (Qld)	1.1	33	34.5	3 Star
Stockland Cairns (Qld)	1.28	95	32.5	3 Star
Stockland Burleigh Heads (Qld)	0.6	82	33.5	3 Star

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[36] NABERS is the National Australian Built Environment Rating System (www.nabers.gov.au).

BUILDING NAME	POTABLE WATER (kL/m²/ANNUM)	GHG EMISSIONS (kg/CO₂-e/ANNUM)	POINTS AWARDED	RATING
Stockland Bundaberg (Qld)	0.91	43	34.5	3 Star
Stockland Bull Creek (WA)	NA	31	27	2 Star
Stockland Riverton (WA)	NA	36	29	2 Star
Stockland Hervey Bay (Qld)	0.85	81	33.5	3 Star
Stockland Point Cook (Vic)	0.9	119	27	2 Star
Stockland Traralgon (Vic)	0.77	77	31	3 Star
Stockland The Pines (Vic)	1.04	101	24.5	2 Star
Stockland Wendouree (Vic)	0.59	55	33	3 Star

GREEN STAR – PERFORMANCE, WORKPLACE AND BUSINESS PARKS

BUILDING NAME	POTABLE WATER (kL/m²/ANNUM)	GHG EMISSIONS (kg/CO₂-e/ANNUM)	POINTS AWARDED	RATING
110 Walker Street (NSW)	0.872	63	31.5	3 Star
16 Giffnock Avenue (NSW)	0.695	90	28.5	2 Star
2 Victoria Ave (WA)	-[37]	-	18	1 Star
40 Cameron Avenue (ACT)	0.651	75	26	2 Star
601 Pacific Highway (NSW)	0.682	67	31.5	3 Star
66 Waterloo Road (NSW)	0.469	54	34	3 Star
77 Pacific Highway (NSW)	0.560	68	32.5	3 Star
80-88 Jephson Street (Qld)	0.779	133	23	2 Star
Durack Centre (WA)	-[38]	62	23	2 Star
Macquarie Technology Centre (NSW)	3.073	155	17	1 Star
Optus Centre (NSW)	0.720	84	31.5	3 Star
Satellite Corporate Centre 350 Wellington Road (Vic)	1.04	122	21	2 Star
Satellite Corporate Centre 352 Wellington Road (Vic)	0.546	140	23.5	2 Star
Satellite Corporate Centre 690 Springvale Road (Vic)	0.726	357	15	1 Star
Triniti Business Campus Building T1 (NSW)	0.805	72	37	3 Star

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[37] Water and emissions figures for 2 Victoria Avenue (WA) were not provided as part of the Green Star – Performance rating because we did not have a NABERS Water or NABERS Energy rating for this asset at the time of submitting the Green Star – Performance application.
[38] Water figures for Durack Centre (WA) were not provided as part of the Green Star – Performance rating because we did not have a NABERS Water rating for this asset at the time of submitting the Green Star – Performance application.

BUILDING NAME	POTABLE WATER (kL/m²/ANNUM)	GHG EMISSIONS (kg/CO_2-e/ANNUM)	POINTS AWARDED	RATING
Triniti Business Campus Building T2 NSW)	0.805	83	36	3 Star
Triniti Business Campus Building T3 (NSW)	0.805	63	38	3 Star
133 Castlereagh Street (NSW)			31	3 Star
222 Pitt Street (NSW)			33.5	3 Star
135 King Street (NSW)			28.5	2 Star

Green Star – built form rating tools

Our Green Star ratings achieved using built form rating tools including Green Star – Design & As Built, Green Star – Communities, and Green Star – Interiors, are provided in the table below.[39]

ASSET TYPE	ASSET	DESIGN RATING (STAR)	AS BUILT RATING (STAR)	GREEN STAR TOOL
Retail Town Centre	Stockland Highlands (Vic)	–	4	Retail Centre v1
	Stockland North Shore (Qld)	4	4	Retail Centre v1
	Stockland Townsville (Qld)	4	4	Retail Centre v1
	Stockland Merrylands (Stages 3 & 4) (NSW)	4	–	Retail Centre v1
	Stockland Shellharbour (NSW)	4	4	Retail Centre v1
	Stockland Hervey Bay (Qld)	4	4	Retail Centre v1
	Stockland Baldivis (WA)	4	4	Retail Centre v1
	Stockland Wetherill Park (NSW)	5	5	Retail Centre v1
	Stockland Harrisdale (WA)	4	4	Retail Centre v1
	Stockland Green Hills (NSW)	5	-	Retail Centre v1
Workplace	Triniti, Building A, 39 Delhi Road, North Ryde, NSW	–	5	Office v2
	Triniti, Building B, 39 Delhi Road, North Ryde, NSW	–	5	Office v2
	Triniti, Building C, 39 Delhi Road, North Ryde, NSW	–	5	Office v2
	2 Victoria Avenue, Perth, WA	6	5	Office v2
	Sydney Head Office, L22-29, 133 Castlereagh Street, Sydney, NSW	–	6	Interiors v1.1
Communities (Residential)	Aura (formerly Caloundra South) (Qld)	6		Communities Pilot
	Altrove (NSW)	5		Communities

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[39] The percentage of our portfolio with a Green Star built form rating is 19 per cent for Commercial Property (Green Star – Design & As Built), 14 per cent for Residential (Green Star – Communities), and six per cent for Retirement Living (Green Star – Design and/or As Built).

ASSET TYPE	ASSET	DESIGN RATING (STAR)	AS BUILT RATING (STAR)	GREEN STAR TOOL
	Willowdale (NSW)	6		Communities
	The Grove (Vic)	5		Communities
	Cloverton (Vic)	6		Communities
	Calleya (WA)	6		Communities
	Newport (Qld)	5		Communities
	Waterlea (formerly Stamford Park) (Vic)	6		Communities
Communities (Retirement Living)	Affinity Clubhouse at Affinity Retirement Village, Baldivis (WA)	5	5	Public Building Pilot
	Selandra Rise Retirement Village (Vic)	4	–	Custom
	Mernda Retirement Village (Vic)	4	–	Custom
	Willowdale Retirement Village (NSW)	4	–	Custom

NABERS

We undertake NABERS Energy and NABERS Water ratings on the base building across Retail Town Centre, Workplace and Business Parks assets. NABERS maintains an eligibility requirement specifying that assets under 15,000 square metres cannot be rated. NABERS ratings are completed on a calendar year basis.

NABERS RATINGS – RETAIL TOWN CENTRES

	NABERS ENERGY RATING					NABERS WATER RATING				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
Stockland Cairns (Qld**)**	4.5	5.0	4.0	4.5	4.5	4.0	NA	4.0	4.0	4.5
Stockland Townsville (Qld)	4.5	4.0	3.5	3.5	3.0	4.0	4.0	4.0	NA	NA
Stockland Rockhampton (Qld)	3.5	3.0	3.5	3.5	3.0	2.5	2.5	2.5	3.0	3.0
Stockland Gladstone (Qld)	5.5	5.5	4.5	4.0	NA	NA[40]	NA	3.0	NA	NA
Stockland Bundaberg (Qld)	4.0	4.5	5.0	4.0	NA	4.0	4.5	4.0	NA	NA
Stockland Caloundra (Qld)	4.5	4.5	4.5	4.5	5.0	5.0	5.0	5.0	5.0	5.0
Stockland Hervey Bay (Qld)	4.5	5.0	4.5	NA	NA	5.0	4.0	4.5	NA	NA
Stockland Burleigh Heads (Qld)	4.0	3.5	3.5	3.5	NA	4.5	4.5	5.0	5.0	NA
Stockland Forster (NSW)	6.0	6.0	6.0	6.0	6.0	4.5	4.5	4.5	4.5	5.0
Stockland Green Hills (NSW)	NA[41]	NA	3.5	3.5	3.0	NA	NA	3.0	3.0	3.0
Stockland Jesmond (NSW)	4.5	4.5	4.5	4.5	4.0	2.0	1.0	2.0	3.0	2.5
Stockland Glendale (NSW)	6.0	6.0	6.0	5.5	5.5	3.5	3.5	3.5	3.0	4.0

[40] No water rating was undertaken for Stockland Gladstone (Qld) due to the available water consumption data being less than 12 months due to a main water meter defect. This issue has been rectified and the centre should be assessable next year.
[41] Green Hills was in development for the majority of FY18 and therefore does not have a rating for 2017.

	NABERS ENERGY RATING					NABERS WATER RATING				
	2017	**2016**	**2015**	**2014**	**2013**	**2017**	**2016**	**2015**	**2014**	**2013**
Stockland Bathurst (NSW)	4.0	4.0	4.0	3.5	3.0	4.5	3.5	3.5	3.0	2.5
Stockland Baulkham Hills (NSW)	4.5	4.0	4.0	3.5	3.5	2.0	1.0	0	0.0	1.0
Stockland Wetherill Park (NSW)	3.0	2.5	NA	NA	4.0	3.0	NA	NA	NA	4.0
Stockland Shellharbour (NSW)	5.0	4.0	4.5	4.5	NA	1.0	1.5	1.5	0.0	NA
Stockland Nowra (NSW)	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Stockland Traralgon (Vic)	4.0	4.0	4.0	4.0	NA	4.5	4.0	4.0	4.0	NA
Stockland Wendouree (Vic)	4.5	4.0	4.0	4.0	NA	4.5	4.5	4.5	4.0	NA
Stockland Bull Creek (WA)	4.5	4.5	4.0	4.5	NA	NA[42]	NA	NA	NA	NA
Stockland Riverton (WA)	4.5	4.5	4.5	4.0	NA	2.0	1.5	NA	NA	NA
Stockland The Pines (Vic)	2.0	2.0	2.5	NA	NA	3.0	3.0	3.0	NA	NA
Stockland Point Cook (Vic)	2.5	1.5	2.5	NA	NA	4.0	4.0	4.0	NA	NA
Stockland Merrylands (NSW)	4.0	NA	NA	NA	NA	2.0	NA	NA	NA	NA
Stockland Baldivis (WA)	2.5	2.0	NA	NA	NA	2.0	NA	NA	NA	NA
NABERS Retail Portfolio Average	**4.18**	**3.98**	**4.19**	**4.2**	**NA**	**3.18**	**3.20**	**2.85**	**2.6**	**NA**

NABERS RATINGS – WORKPLACE AND BUSINESS PARKS[43]

	NABERS ENERGY RATING					NABERS WATER RATING				
	2017	**2016**	**2015**	**2014**	**2013**	**2017**	**2016**	**2015**	**2014**	**2013**
WORKPLACE										
Piccadilly Tower, 133 Castlereagh St, Sydney	5.0	5.0	5.0	5.0	5.0	4.0	4.5	4.5	4.5	4.5
Piccadilly Court, 222 Pitt St, Sydney	5.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
135 King St, Sydney	4.5	4.0	4.0	4.0	3.5	3.5	3.0	3.0	3.0	3.0
110 Walker St, North Sydney	5.0	5.0	4.5	4.0	3.5	3.0	3.0	3.5	3.0	3.5
77 Pacific Hwy, North Sydney	5.0	5.0	4.5	4.5	4.5	3.5	4.0	1.0	3.0	3.0
601 Pacific Hwy, St Leonards	5.0	5.0	5.0	4.5	5.0	3.0	4.0	4.0	4.5	4.5
40 Cameron Ave, Belconnen	3.5	NA	NA	NA	NA	3.0	3.0	NA	NA	–
80-88 Jephson Street, Toowong	0.0	2.5	2.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Durack Centre, 263 Adelaide Terrace, Perth	4.5	4.5	5.0	5.0	4.5	NA	NA	3.5	4.0	4.0

[42] We were unable to complete a water rating for Stockland Bull Creek (WA) because there had been no meter readings taken on the bore water supply to the centre. The meter is difficult to access and is in a hazardous location which makes reading the meter a challenge.
[43] 63 per cent of our Commercial Property portfolio (including Retail Town Centre, Workplace and Logistics) is covered by one or more NABERS ratings.

	NABERS ENERGY RATING					NABERS WATER RATING				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
2 Victoria Avenue, Perth	0.0	NA	5.0	5.0	5.0	0.0	NA	4.0	3.0	3.0
NABERS Workplace Portfolio Average	**4.52**	**4.61**	**4.59**			**3.55**	**3.98**	**3.71**		
BUSINESS PARKS										
Optus Centre, 1 Lyon Park Road, North Ryde	4.5	5.0	5.0	4.5	4.5	4.0	3.5	3.5	3.5	3.5
Triniti, Building A, 39 Delhi Road, North Ryde [44]	4.5	4.5	5.0	5.5	5.0	3.5	3.5	5.0	4.5	3.5
Triniti, Building B, 39 Delhi Road, North Ryde	4.5	4.5	5.0	5.0	5.0	3.5	3.5	4.0	4.0	4.0
Triniti, Building C, 39 Delhi Road, North Ryde	5.0	5.0	5.0	5.0	5.0	3.5	3.5	3.5	3.5	3.5
66 Waterloo Road, North Ryde	5.5	5.0	5.0	4.5	4.0	4.0	4.5	4.5	3.5	3.5
16 Giffnock Ave, North Ryde	4.0	4.0	3.5	3.0	2.5	3.5	3.5	3.5	3.5	2.5
11-17 Khartoum Road, North Ryde	2.0	2.0	4.0	3.5	5.0	0.0	0	NA	NA	NA
350 Wellington Rd, Mulgrave [45]	3.0	NA	3.0	NA	NA	0.0	NA	NA	NA	NA
352 Wellington Rd, Mulgrave	3.0	3.0	3.5	NA	NA	3.5	3.5	NA	NA	NA
690 Springvale Rd, Mulgrave	2.0	NA	1.5	NA	NA	2.5	NA	NA	NA	NA
NABERS Business Parks Portfolio Average	**4.22**	**4.79**	**4.92**	**4.6**	**4.4**	**3.59**	**3.48**	**3.60**	**3.7**	**3.7**
NABERS Workplace and Business Parks Combined Portfolio Average	**4.35**	**4.74**	**4.76**			**3.57**	**3.69**	**3.66**		
LOGISTICS										
11 Viola Place Brisbane Airport	4.5	NA	NA	NA	NA	NA	NA	NA	NA	NA

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[44] The water rating for **Triniti** (NSW) applies to the whole campus.
[45] The 2015 rating included Green Power – without Green Power the rating would be 2.5 stars.

Climate and community resilience

The tables below summarise the individual climate and community resilience scores for our retail town centres, residential communities and retirement living communities. Note that our community resilience scorecard was launched in FY16 and so there are no community resilience scores available for assets assesses earlier than FY16.

Resilience scores range from 1 (low vulnerability, more resilience) through 9 (high vulnerability, less resilience). Our Management Approach to Climate Resilience provides more detail on our climate and community resilience assessment methods.

CLIMATE AND COMMUNITY RESILIENCE SCORES BY ASSET

LOCATION	YEAR	CLIMATE RESILIENCE RATING	COMMUNITY RESILIENCE RATING
COMMERCIAL PROPERTY			
Stockland Cairns (Qld)	FY12	6.30	–
	FY17	5.81	–
Stockland Rockhampton (Qld)	FY14	6.13	–
	FY17	5.84	–
Stockland Hervey Bay (Qld)	FY12	6.00	–
	FY17	5.29	–
Stockland Townsville (Qlld)	FY14	5.72	
	FY17	5.20	
	FY18	5.00	5.71
Townsville Kmart (Qld)	FY14	5.85	–
	FY17	5.20	–
Stockland Gladstone (Qld)	FY12	5.84	–
	FY17	5.29	–
Stockland North Shore (Qld)	FY14	5.69	–
	FY17	5.49	–
Stockland Bull Creek (WA)	FY14	5.50	–
Stockland Wetherill Park (NSW)	FY13	5.41	–
Point Cook Town Centre (Vic)	FY13	5.30	–
Stockland Green Hills (NSW)	FY13	5.27	5.18
Stockland Wendouree (Vic)	FY14	4.69	–
Stockland Traralgon (Vic)	FY14	4.59	–
	FY18	-	5.18
Stockland Forster (NSW)	FY15	4.48	–

LOCATION	YEAR	CLIMATE RESILIENCE RATING	COMMUNITY RESILIENCE RATING
Stockland Bundaberg (Qld)	FY16	5.69	–
	FY18	-	5.99
Stockland Bathurst (NSW)	FY15	4.23	–
Stockland Nowra (NSW)	FY16	4.21	–
	FY18	4.90	5.05
Durack Centre (WA)	FY12	5.90	–
2 Victoria Avenue (WA)	FY12	5.80	–
601 Pacific Highway (NSW)	FY18	4.52	-
Triniti Business Campus (NSW)	FY18	5.37	-
32 Toll Drive (VIC)	FY18	4.83	-
Commercial Property Average		**5.23**	
COMMUNITIES (RESIDENTIAL)			
Elara (NSW)	FY15	5.2	–
Aura (Qld)	FY15	5.4	–
Willowdale (NSW)	FY16	5.4	5.7
Cloverton (Vic)	FY16	5.6	5.6
The Grove (Vic)	FY16	5.6	5.9
Altrove (NSW)	FY16	5.8	4.7
Newport (Qld)	FY16	5.5	4.7
Calleya (WA)	FY16	5.3	4.9
Birtinya (Qld)	FY17	5.7	5.9
Foreshore (Qld)	FY17	6.3	6.4
Toowong (Qld)	FY17	5.6	5.0
North Shore (Qld)	FY17	5.8	5.9
Pallara (Qld)	FY17	5.6	6.1
Sienna Wood (WA)	FY17	6.2	6.5
Waterlea (Vic)	**FY17**	**5.0**	**4.7**

ASSESSMENTS FROM FY18		RESILIENCE RATING[46]	
Braybrook (Vic)	FY18	5.7	
Kalina (Qld)	FY18	5.7	
Paradise Waters (Qld)	FY18	5.5	
Mt Atkinson (Vic)	FY18	5.4	
Altona North (Vic)	FY18	5.0	
Minta Farm (Vic)	FY18	5.7	
Edgebrook (Vic)	FY18	5.9	
Communities (Residential) Average		**5.6**	**5.5**
COMMUNITIES (RETIREMENT LIVING)			
Highlands (Vic)	FY13	4.8	–
The Village Swansea (NSW)	FY13	6.1	–
	FY17	5.8	5.0
Farrington Grove (Qld)	FY16	4.6	–
	FY17	4.8	5.2
The Cove (NSW)	FY16	6.6	4.8
Maybrook (NSW)	FY16	5.4	5.0
Patterson Lakes (Vic)	FY16	5.7	4.6
Salford Waters (Qld)	FY16	5.4	4.0
Hillsview (SA)	FY16	5.8	5.1
Walnut Grove (SA)	FY16	5.8	4.9
Gillin Park (Qld)	FY17	5.2	5.5
Pine Lake (Qld)	FY17	5.4	4.9
Birtinya, Oceanside (Qld)	FY17	5.3	6.0
Calleya (WA)	FY17	5.6	5.0
Cardinal Freeman (NSW)	FY17	4.8	4.7
The Pines (Vic)	FY17	5.0	5.3
Oak Grange (Vic)	FY17	4.8	5.4
Newport (Qld)	FY17	5.6	4.7

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[46] From FY18, as part of our evolving approach to resilience assessment, our climate and community resilience ratings were combined to deliver an integrated resilience rating for our Communities portfolio.

ASSESSMENTS FROM FY18		RESILIENCE RATING[47]	
Bellevue Gardens (NSW)	FY18	5.7	-
Golden Ponds (NSW)	FY18	5.9	-
Wamberal Gardens (NSW)	FY18	5.4	-
Communities (Retirement Living) Average		**5.4**	**5.0**

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[47] From FY18, as part of our evolving approach to resilience assessment, our climate and community resilience ratings were combined to deliver an integrated resilience rating for our Communities portfolio.

People Data Pack

Background notes

We report our people data holistically, given our consistent approach to managing our people across our business units. All of our operations are based in Australia.

Percentage figures provided in this data pack may not sum to exactly 100 per cent because of rounding.

Our workforce

WORKFORCE BY EMPLOYMENT STATUS

STATUS	FY18	FY17	FY16	FY15	FY14
Full Time	1,301	1,192	1,135	1,121	1,120
• Permanent[1]	1,219	1,122	1,073	1,058	1,072
• Fixed Term[2]	82	70	62	63	48
Part Time	333	331	308	295	282
• Permanent	314	316	298	282	269
• Fixed Term	19	15	10	13	13
Casual[3]	56	55	55	46	38
Total Headcount[4]	1,690	1,578	1,498	1,462	1,440
FTE[5]	**1,561**	**1,472**	**1,386**	**1,345**	**1,286**

[1] Permanent employees are employed by Stockland on a full time (38 hours per week) or part time basis (less than 38 hours per week).
[2] Fixed term employees are employed by Stockland for a fixed term (their employment has an agreed end date).
[3] Casual employees are paid on an hourly basis.
[4] Total headcount includes permanent employees, fixed term employees and casual employees. It excludes Board members, temps, special contractors, vendors and employees on extended leave. FY14 figures have been adjusted to reflect the sale of the Opal Aged Care business so as to make year on year figures comparable.
[5] FTE (Full Time Equivalent) adjusts headcount for hours worked. It is calculated by dividing an employee's working hours by the standard full time working hours (38). The FTE measure excludes casual employees.

In this document you will find:

WORKFORCE BY REGION

STATE/TERRITORY	FY18	FY17	FY16	FY15	FY14
New South Wales	921	843	821	826	816
Queensland	323	307	275	283	280
Victoria	279	264	240	229	228
Western Australia	95	94	97	98	90
South Australia	67	66	62[6]	22	22
Australian Capital Territory	5	4	3	4	4
Total	**1,690**	**1,578**	**1,498**	**1,462**	**1,440**

WORKFORCE BY GENDER

	FY18				
STATUS	FEMALE	FEMALE %	MALE	MALE %	TOTAL
Full Time Permanent	614	36%	605	36%	1,219
Part Time Permanent	276	16%	38	2%	314
Fixed Term	69	4%	32	2%	101
Casual	43	3%	13	1%	56
Total	**1,002**	**59%**	**688**	**41%**	**1,690**

WORKFORCE BY AGE CATEGORY

	FY18			
AGE	FEMALE	MALE	TOTAL	TOTAL %
<25	50	22	72	4%
25 - <35	315	178	493	29%
35 - <45	291	201	492	29%
45 - <55	202	169	371	22%
55 - <65	121	97	218	13%
>65	23	21	44	3%
Total	**1,002**	**688**	**1,690**	**100%**

Our governance bodies are outlined in the Governance and Risk Deep Dive, however we do not provide a breakdown of our governance bodies by age or minority group.

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[6] Stockland acquired eight retirement living villages in South Australia in July 2016.

MEDIAN AGE OF WORKFORCE

YEAR	MEDIAN AGE
FY18	40
FY17	39
FY16	39
FY15	39
FY14	38

Remuneration

The remuneration ratio for our highest paid employee to median employee salary is provided in the table below. Our Remuneration Report is contained within the Annual Report. We do not report on the ratio of standard entry level wage compared to minimum wage. Our operations are based in Australia and all employees are paid above the Australian minimum wage. For those employees with a relevant Award, we review their remuneration on an annual basis to provide for remuneration above the minimum rate in their Award.

REMUNERATION RATIO – MANAGING DIRECTOR/EMPLOYEE[7]

	RATIO				
REMUNERATION MEASURE	FY18	FY17	FY16	FY15	FY14
Managing Director's annual total compensation ÷ employee median annual total compensation	39	46	48	44	44
% increase in Managing Director's annual total compensation ÷ employee's median % increase	-5.38	1.08	-0.26	1.50	6.04

Employee engagement

We measure employee engagement annually through the Our Voice employee survey, independently administered by survey provider Willis Towers Watson. Selected survey results are provided in the table below, followed by metrics on absenteeism, new hires, turnover, and parental leave.

OUR VOICE EMPLOYEE ENGAGEMENT SURVEY

SURVEY QUESTION/METRIC	FY18	FY17
Employee engagement		
Employee engagement score	83 per cent 7 points above Australian National Norm	82 per cent
Employees indicating they fully support the values for which Stockland stands	96 per cent 12 points above Australian National Norm	96 per cent
Employees who believe strongly in the goals and objectives of Stockland	92 per cent 10 points above Australian National Norm	91 per cent
Employees willing to work beyond what is required to help Stockland succeed	95 per cent 3 points above Australian National Norm	95 per cent

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[7] Annual total compensation for each year is calculated as Fixed Pay FTE (as at 30 June of end of performance year) + STI FTE (awarded for relevant performance year) + LTI (allocated at start of performance year), for employees who participated in the Remuneration Review plus sales employees paid on a commission basis.

Corporate responsibility and sustainability		
Corporate responsibility and sustainability score	89 per cent 7 points above Australian National Norm	88 per cent
Employees who believe that we do a good job integrating sustainability into our projects and activities	88 per cent 14 points above Australian National Norm	86 per cent
Employees who believe that we do a good job integrating sustainability into our products and services	86 per cent	84 per cent
Diversity and Inclusion		
Diversity and Inclusion score	87 per cent 7 points above Australian National Norm	87 per cent
Employees considering that Stockland supports equal opportunity for all employees.	86 per cent 17 points above Australian National Norm	86 per cent
Employees considering men and women have the same opportunities to advance	81 per cent 5 points above Australian National Norm	83 per cent
Employees considering the working environment to be accepting of disabilities or psychological/physical impairment	87 per cent	86 per cent
Employees who believe Stockland is accepting of varied cultural background or lifestyles	94 per cent 3 points above Australian National Norm	93 per cent
Health and safety		
Health and safety score	93 per cent 9 points above Australian National Norm	92 per cent
Employees indicating their work area is a safe place to work	96 per cent 8 points above Australian National Norm	96 per cent
Employees believing we provide adequate OH&S systems, resources, and training	92 per cent	90 per cent
Employees considering prompt and effective action is taken when unsafe conditions are brought to management attention	90 per cent 9 points above Australian National Norm	90 per cent
Leadership		
Overall leadership score	73 per cent 5 points above Australian National Norm	73 per cent
Employees have a clear sense of direction from the Leadership Team	81 per cent	80 per cent

ABSENTEEISM[8]

	FY18	FY17	FY16	FY15	FY14
Absent Days per FTE	4.7	4.7	4.9	4.9	4.6

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[8] Absenteeism reflects the amount of personal/carer's leave taken in the last 12 months. It is calculated by dividing [Total Days Of Personal/Carer's Leave In The Last 12 Months] By [12-Month Average FTE]. Absenteeism includes permanent, extended leave and fixed term employees only.

NEW HIRES BY AGE GROUP

FY18	<25	25 - <35	35 - <45	45 - <55	55 - <65	>65
Number	37	129	76	68	26	4
Per cent	11%	38%	22%	20%	8%	1%

NEW HIRES BY GENDER

FY18	MALE	FEMALE
Number	142	198
Per cent	42%	58%

TURNOVER [9]

	FY18	FY17	FY16	FY15	FY14
Employee initiated turnover[10]	14.1% (214)	15.1% (220)	14.9% (216)	13.8% (193)	15.0%
• Employee initiated turnover for employees with Strong performance or above[11]	10.9% (97)	10.6% (104)	11.8%[12] (143)	12.2%[13] (150)	12.6%[14]
Stockland initiated turnover[15]	2.4% (37)	2.4% (35)	5.6%[16] (81)	3.0% (42)	5.2%
Total	16.5% (251)	17.5% (255)	20.5% (297)	16.8% (235)	20.2%

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[9] Turnover presents the proportion of the Stockland workforce that has exited in the last 12 months. It is calculated by dividing [Total Number Of Exits In The Last 12 Months] by [12-Month Average Headcount]. All turnover data (including headcount) excludes those employed on a casual or fixed term basis. The first number represents this turnover. From FY15 onwards, Stockland reports on the number of exits (the second number in parentheses).

[10] Employee-initiated turnover includes resignations and retirements.

[11] Stockland uses a four-point rating scale for performance. This metric assesses turnover for the two highest performance ratings. Employee-initiated turnover employees with Strong Performance or Above is calculated by dividing [Total Number Of Exits In The Last 12 Months With A Strong Performance Or Above Rating] by [Employees With A Strong Performance Or Above Rating].

[12] FY16 Employee Initiated for employees with Strong Performance or Above is calculated by dividing [Total Number Of Exits In The Last 12 Months With A Strong Performance Or Above Rating] by [Employees With A Strong Performance Or Above Rating As At 30 June 2016].

[13] FY15 Employee Initiated For Strong Performance or Above is calculated by dividing [Total Number Of Exits In The Last 12 Months With A Strong Performance Or Above Rating] by [Employees With A Strong Performance Or Above Rating As At 30 June 2015].

[14] FY14 Employee Initiated For Strong Performance or Above is calculated by dividing [Total Number Of Exits In The Last 12 Months With A Strong Performance Or Above Rating] by [Employees With A Strong Performance Or Above Rating As At 30 June 2014].

[15] Stockland initiated turnover includes redundancy or termination by Stockland (e.g. terminated during probation or for cause).

[16] Stockland initiated turnover increased in the second half of FY16 as a result of redundancies that were a part of Project Support. Project Support was an initiative to create an outsourced team (Stockland Support Centre) to undertake activities to allow Stockland to better focus on the needs of our customers. The Project Support redundancies make up 3% of Stockland initiated turnover.

TURNOVER BY TENURE GROUP[17]

TENURE GROUP	FY18	FY17	FY16	FY15	FY14
<1 Year	14.6% (38)	20.1% (46)	22.5% (50)	18.8% (40)	31.0%
1 - <3 Years	20.9% (84)	19.8% (78)	21.5% (83)	20.0% (71)	24.5%
3 - <5 Years	15.9% (42)	19.4% (47)	19.7% (50)	16.4% (43)	15.1%
5 - <10 Years	16.0% (55)	16.8% (64)	20.3% (82)	14.8% (59)	16.6%
>10 Years	12.5% (32)	9.3% (20)	17.5% (32)	14.0% (22)	12.0%

TURNOVER BY AGE GROUP[18]

AGE GROUP	FY18	FY17	FY16	FY15	FY14
<25	13.6% (9)	6.7% (4)	22.8% (11)	14.6% (7)	24.5%
25 - <35	16.4% (75)	24.6% (107)	19.4% (87)	19.4% (87)	23.5%
35 - <45	17.6% (79)	14.6% (65)	19.2% (88)	14.2% (63)	18.2%
45 - <55	17.4% (58)	14.2% (45)	22.5% (68)	14.0% (38)	15.5%
55 - <65	13.1% (24)	15.6% (27)	21.6% (36)	17.5% (27)	20.5%
>65	17.0% (6)	24.5% (7)	25.6% (7)	41.4% (13)	29.7%

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[17] Turnover (%) by tenure group is calculated by dividing [Total Number Of Exits In The Last 12 Months Of Particular Tenure Group] by [12-Month Average Headcount Of Particular Tenure Group].
[18] Turnover (%) by age group is calculated by dividing [Total Number Of Exits In The Last 12 Months Of Selected Age Group] by [12-Month Average Headcount Of Particular Age Group].

TURNOVER BY GENDER[19]

GENDER	TURNOVER	FY18	FY17	FY16	FY15	FY14
Male	Total	16.3% (103)	19.3% (117)	19.2% (117)	19.2% (111)	20.8%
	Employee initiated turnover	13.3% (84)	16.0% (97)	14.1% (86)	16.4% (94)	16.1%
	• Employee initiated turnover for employees with Strong performance or above	6.6% (42)	10.6% (42)	10.4% (54)	14.6% (72)	14.0%
	Stockland initiated turnover	3.0% (19)	3.3% (20)	5.1% (31)	2.8% (17)	4.8%
Female	Total	16.6% (148)	16.2% (138)	21.4% (180)	15.2% (124)	19.8%
	Employee initiated turnover	14.6% (130)	14.4% (123)	15.5% (130)	12.1% (99)	14.3%
	• Employee initiated turnover for employees with Strong performance or above	6.2% (55)	12.2% (70)	12.8% (89)	10.7% (78)	11.6%
	Stockland Initiated turnover	2.0% (18)	1.8% (15)	5.9% (50)	3.1% (25)	5.5%

PARENTAL LEAVE RETURN RATE[20]

GENDER	TOTAL LEAVE	WITHIN 6 MONTHS				WITHIN 12 MONTHS			
		RETURNS	FY18 RETURN RATE	FY17	FY16	RETURNS	FY18 RETURN RATE	FY17	FY16
Male	20	18	90.0%	94.1%	94.7%	18	90.0%	94.1%	94.4%
Female	47	43	91.5%	83.2%	91.5%	43	91.5%	80.4%	79.2%
Overall	67	61	91.0%	84.7%	92.5%	61	91.0%	82.3%	84.1%

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[19] Turnover (%) by gender is calculated by dividing [Total Number Of Exits In The Last 12 Months Of Particular Gender] by [12-Month Average Headcount Of Particular Gender].
[20] Parental leave return rates look at the return rates of employees who have returned from parental leave in FY16 and FY17 and either remain employed (returns) or exited during FY17 either within 6 months or 12 months of return.

Human capital development

LEARNING

	FY18	FY17	FY16	FY15	FY14
Training days per employee[21]	2.0[22]	2.5	3.1	2.5	3.1

TRAINING DAYS PER EMPLOYEE BY EMPLOYEE CATEGORY AND GENDER

FY18

EMPLOYEE CATEGORY	FEMALE	MALE
Executive Committee	1.1	1.0
General Manager	3.7	7.2
Senior Manager	5.9	5.4
Manager	2.4	2.1
Professional/Technical	2.0	1.9
Employee	1.1	1.1
Total	**1.9**	**2.3**

We have a number of core mandatory training programs that all new employees must undertake to comply with our obligations under our Human Rights Policy. All employees are then required to refresh this training every 18 months. This training includes modules on Equal Opportunity in Employment, Sexual Harassment in the Workplace, Workplace Bullying, Privacy at Stockland, Compliance at Stockland, and Personal Information Data Breaches Awareness. During FY18 the total hours of employee training in this regard was 4,836 hours. Failure to complete required training impacts employee performance ratings as well as eligibility for and payment of incentives – including long term, short term, and/or sales bonuses (for those who qualify).

DEVELOPMENT

	% ELIGIBLE EMPLOYEES[23]
Performance review	100
Career development plan	78

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[21] Training days per employee is calculated by dividing [Total Number Of Training Hours/7.8] by [12-Month Average Headcount].
[22] Training days per employee has declined slightly in FY18 because of a more efficient use of time for classroom offerings (by leveraging pre-work undertaken prior to recorded training) and more use of webinar-style learning as opposed to face to face workshops.
[23] Eligible employees are permanent employees who have worked for Stockland for at least three months.

Diversity and inclusion

WORKFORCE BY CULTURAL BACKGROUND[24]

CULTURE	FY18[25]	FY17[26]	FY16[27]	FY15[28]	FY14[29]
Australian	62.3%	56.2%	62.5%	56.2%	69.6%
Aboriginal and Torres Strait Islander	0.7%	0.4%	0.0%	0.4%	0.3%
European[30]	19.0%	25.4%	22.8%	25.4%	14.6%
Asian[31]	8.9%	9.3%	8.7%	9.3%	6.5%
Maori and New Zealand	1.8%	2.4%	2.3%	2.4%	2.3%
Middle Eastern	1.3%	0.8%	0.0%	0.8%	0.7%
South African	0.9%	1.0%	1.2%	1.0%	0.9%
North American	0.9%	0.6%	0.0%	0.6%	1.2%
Other	4.3%	4.0%	2.5%	4.0%	3.9%

WOMEN IN MANAGEMENT[32]

JOB BAND	FY18 TOTAL	FY18 % WOMEN	FY17 TOTAL	FY17 % WOMEN	FY16 TOTAL	FY16 % WOMEN	FY15 TOTAL	FY15 % WOMEN	FY14 TOTAL	FY14 % WOMEN
Management	574	45.1%	555	45.9%	536	44.6%	515	44.7%	464	45.4%
• Executive [33]	11	27.3%	9	11.1%	9	11.0%	9	11.0%	7	0.0%
• Senior Management [34]	146	39.7%	152	38.8%	151	36.0%	138	36.0%	132	35.0%
• Manager	417	47.5%	394	49.5%	376	49.0%	368	49.0%	325	50.0%
Employee	1,116	66.3%	1,065	66.9%	1,010	67.0%	1,012	66.0%	938	66.0%
Stockland	1,690	59.3%	1,620	59.7%	1,546	60.0%	1,527	59.0%	1,402	59.0%

[24] Data presented as a percentage of respondents who chose to disclose their cultural background to the Our Voice survey, Stockland's employee engagement survey. Some employees choose not to disclose their cultural background. Responses to this survey are completely confidential – Stockland has no access to individual data points.
[25] 94% of respondents chose to disclose their cultural background in FY18.
[26] 91% of respondents chose to disclose their cultural background in FY17.
[27] 83% of respondents chose to disclose their cultural background in FY16.
[28] 91% of respondents chose to disclose their cultural background in FY15. In FY15, the response options for the cultural association question were reviewed. The review highlighted the opportunity to provide clearer options and descriptors. The response options are now structured by region with several country examples. The structure is based on the UN regional groupings. This change has contributed to a significant change in cultural background distribution from FY14 to FY15.
[29] 94% of respondents chose to disclose their cultural background in FY14.
[30] Includes north-west, central, southern, eastern, British, Irish and Scottish.
[31] Includes south-east, north-east, southern and central.
[32] Workforce by gender includes permanent employees, fixed term employees, and employees on extended leave. It excludes casual employees, Board members, special contractors, temps and vendors.
[33] Executive is Stockland's Executive Committee.
[34] Includes General Manager and Senior Manager job bands.

WOMEN IN MANAGEMENT BY BUSINESS[35]

BUSINESS	FY18	FY17	FY16	FY15	FY14
Stockland	45.1%	45.9%	44.6%	44.7%	45.4%
Commercial Property	33.9%	36.5%	33.7%	32.4%	32.1%
Corporate	51.0%	52.3%	50.0%	56.6%	58.9%
Residential	32.1%	25.3%	21.0%	23.4%	22.7%
Retirement Living	50.5%	56.2%	62.4%	56.5%	55.4%

AVERAGE FIXED REMUNERATION RATIO BY JOB BAND[36]

JOB BAND	FY18	FY17	FY16	FY15	FY14
Executive	0.71	0.64	0.59	0.60	NA
Senior Management[37]	0.85	0.86	0.85	0.93	0.89
Management	0.85	0.84	0.83	0.85	0.83
Employee/Professional Technical	0.86	0.86	0.86	0.86	0.86
Stockland[38]	0.68	0.66	0.64	0.66	0.65

We generally do not capture data on the number of people hired from the local communities in which we operate, given our spread of assets across Australia. We have worked with our principal contractor at our Stockland Green Hills (NSW) redevelopment project to obtain data on local employment and procurement. More information on this initiative can be found in our Supply Chain Deep Dive.

GENDER PAY EQUITY RATIO[39]

We believe the methodology of measuring pay equity is limited if based solely on average fixed pay by job band as it ignores different market values placed on different jobs. We believe a better and more accurate process is that we assess gender pay equity by considering an individual's positioning against the relevant market benchmark. This analysis is shown below in the gender pay equity ratio table.

	FY18	FY17	FY16	FY15	FY14
Stockland	98.3%	98.6%	97.4%	97.2%	96.9%

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[35] Includes Executive Committee, General Manager, Senior Manager and Manager job bands.
[36] Average fixed remuneration ratio looks at the ratio of the average female fixed pay to the average male fixed pay by job band.
[37] Senior Management includes Senior Manager and General Manager job bands.
[38] The ratio is a function of total pay and employee number by gender.
[39] The gender pay equity ratio is calculated by dividing the female compa-ratio by the male compa-ratio for employees. Compa-ratio represents the ratio of employees' Fixed Pay to the median of the applicable benchmark. For example, if an employee's Fixed Pay is $120,000 and the market mid-point is $100,000, the compa-ratio versus the median of the applicable benchmark is 120% ($120,000 / $100,000). An employee's position against the applicable benchmark will vary based on relative experience and skills. If a female has a compa-ratio of 102% and a male has a compa-ratio of 104%, then the gender pay equity ratio would be 98%. A gender pay equity ratio that is less than 100% suggests that males are better positioned against market in comparison to females, whereas a gender pay equity ratio that is 100% or higher suggests that females are equally or better positioned against market in comparison to males. The ratio excludes Stockland Executive Committee.

Stockland

Health and safety

	FY18	FY17	FY16	FY15	FY14
Total average workforce [40]	1,689	1,578	1,507	1,438[41]	1,695
Total hours worked (million)	3.08	2.83	2.75	2.53	2.97
Number of lost time injuries (LTI) [42]/[43]	5	5	11	12	18
Lost time injury frequency rate (LTIFR) [44]	1.6	1.8	4.0	4.7	6.1
Number of injuries requiring medical treatment (MTI)[45]	25	24[46]	12	14	14
Medical treatment injury frequency rate (MTIFR) [47]	8.1	8.5	4.4	5.5	4.7
Frequency rate (LTI and MTI)[48]	9.7	10.2	8.4	10.2	10.7
Occupational diseases instances	0	0	0	0	0
Fatalities	0	0	0	0	0
Lost days (total for the recorded lost time injuries)	426[49]	599	599	267	817
Average lost day rate[50]	5.8[51]	16.6	27.1	22.2	45.3
Development[52] contractor LTIFR	6.1	NA	NA	NA	NA

[40] Total average workforce uses monthly employee totals rather than the end of financial year figure used in Our People metrics.
[41] Total average workforce in FY15 reduced as a result of the sale of the Aged Care business in FY14.
[42] Includes injuries incurred as a result of a work related incident. Does not include commuting/recess injuries.
[43] An injury resulting in the loss of one or more shifts. Not including injuries requiring first aid treatment only.
[44] Number of LTIs / total hours worked from July 2017 to June 2018 x 1,000,000 hours.
[45] An injury resulting in the injured person receiving further treatment from a medical practitioner i.e. GP, physio, hospitalisation etc. Not including lost time injuries.
[46] Although MTIs have increased in FY17, it has corresponded with a decrease in LTIs over the same period. The same trend can be observed in FY18. This result can be attributed to various health and safety initiatives implemented throughout these years including return to work initiatives aimed at mitigating lost time. More information on these initiatives is in our Health and Safety progress report.
[47] Number of MTIs / total hours worked from July 2017 to June 2018 x 1,000,000 hours.
[48] Number of LTIs + MTIs / total hours worked from July 2017 to June 2018 x 1,000,000 hours.
[49] Lost days have been largely attributed to two longstanding injuries from previous financial years accounting for 397 days.
[50] Number of Lost Days / number of respective LTIs reported in FY18.
[51] This figure is derived from 29 days lost attributed to 5 LTIs recorded in FY18. The balance of 397 days were attributed to two LTIs from previous years.
[52] Development is defined as greenfield/brownfield construction of new buildings and substantial structural works on existing buildings. Mainly where we have engaged a head/main contractor to manage the project and other contractors/sub-contractors.

BREAKDOWN BY GENDER AND REGION

	MEN	WOMEN	NSW	ACT	QLD	VIC	WA	SA
FY18								
Number of lost time injuries	3	2	2	1	1	0	1	0
Number of lost days [53]	18	11	15	3	7	0	4	0
FY17								
Number of lost time injuries	2	3	2	0	2	1	0	0
Number of lost days [54]	524	75	215	0	20	364	0	0
FY16								
Number of lost time injuries	9	2	5	0	2	3	0	1
Number of lost days [55]	557	42	306	0	36	249	0	8
FY15								
Number of lost time injuries	9	3	7	0	2	3	0	–
Number of lost days [56]	231	36	249	0	13	5	0	–
FY14								
Number of lost time injuries	6	12	9	1	3	4	1	–
Number of lost days [57]	299	518	220	1	4	591	1	–

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[53] FY18 metrics include 397 lost days related to two lost time injuries (longstanding) reported in prior years but continued to lose time in FY18.
[54] FY17 metrics include 516 lost days related to three lost time injuries (all longstanding) reported in prior years but continued to lose time in FY17.
[55] FY16 metrics include 301 lost days related to three lost time injuries (two of which are longstanding) reported in a prior year but continued to lose time in FY16.
[56] FY15 metrics include 105 lost days related to the re-aggravation of a lost time injury reported in a prior year but continued to lose time in FY15.
[57] FY14 metrics include 558 lost days related to three longstanding lost time injuries reported in FY13 but continued to lose time in FY14.

GRI Index – FY18

Stockland's sustainability reporting has been prepared in accordance with the GRI Standards (Comprehensive). This report also serves as the UN Global Compact (UNGC) Communication on Progress. This index relates to our FY18 sustainability reporting and provides a guide on where information can be found as it relates to GRI and UNGC reporting requirements.

Our FY18 sustainability reporting is available on our website.

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
GRI 102: General Disclosures				
102-01	Name of the organization	Annual Review, About Stockland		N/A
102-02	Activities, brands, products, and services	Annual Review, About Stockland		N/A
102-03	Location of headquarters	Stockland website, Contact Us		N/A
102-04	Location of operations	Annual Review, About Stockland		N/A
102-05	Ownership and legal form	Annual Review, About Stockland		N/A
102-06	Markets served	Annual Review, About Stockland		N/A
102-07	Scale of the organization	People Data Pack Annual Report		N/A
102-08	Information on employees and other workers	People Data Pack	Principle 6	N/A
102-09	Supply chain	Supply Chain Deep Dive		N/A
102-10	Significant changes to the organization and its supply chain	There were no significant changes to report in FY18.		N/A
102-11	Precautionary Principle or approach	Our Management Approach to Governance and Risk Our Management Approach to Climate Resilience	Principle 7	Climate change impacts our assets, operations and the broader community Climate Resilience
102-12	External initiatives	Memberships, Initiatives and Awards	UNGC commitment	N/A
102-13	Membership of associations	Memberships, Initiatives and Awards		N/A

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
102-14	Statement from senior decision-maker	Annual Review	Statement of continuing support	N/A
102-15	Key impacts, risks, and opportunities	Annual Review, Strategy		NA
102-16	Values, principles, standards, and norms of behaviour	Annual Review, About Stockland	Principle 10	N/A
102-17	Mechanisms for advice and concerns about ethics	Our Management Approach to Governance and Risk Our Management Approach to Human Rights	Principle 10	N/A
102-18	Governance structure	Annual Report, Governance		N/A
102-19	Delegating authority	Annual Report, Governance		N/A
102-20	Executive-level responsibility for economic, environmental, and social topics	Our Management Approach to Governance and Risk		N/A
102-21	Consulting stakeholders on economic, environmental, and social topics	Our Management Approach to Governance and Risk Our Management Approach to Stakeholder Engagement		N/A
102-22	Composition of the highest governance body and its committees	Annual Report, Governance		N/A
102-23	Chair of the highest governance body	Annual Report, Governance		N/A
102-24	Nominating and selecting the highest governance body	Annual Report, Governance		N/A
102-25	Conflicts of interest	Our Management Approach to Governance and Risk		N/A
102-26	Role of highest governance body in setting purpose, values, and strategy	Annual Report, Governance		N/A
102-27	Collective knowledge of highest governance body	Annual Report, Governance		N/A
102-28	Evaluating the highest governance body's performance	Annual Report, Governance		N/A
102-29	Identifying and managing economic, environmental, and social impacts	Our Management Approach to Governance and Risk		N/A

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
102-30	Effectiveness of risk management processes	Our Management Approach to Governance and Risk Governance and Risk Deep Dive		N/A
102-31	Review of economic, environmental, and social topics	Our Management Approach to Governance and Risk Governance and Risk Deep Dive		N/A
102-32	Highest governance body's role in sustainability reporting	Our Management Approach to Governance and Risk		N/A
102-33	Communicating critical concerns	Our Management Approach to Governance and Risk Our Management Approach to Human Rights		N/A
102-34	Nature and total number of critical concerns	Governance and Risk Deep Dive Human Rights Deep Dive		N/A
102-35	Remuneration policies	Annual Report, Remuneration		N/A
102-36	Process for determining remuneration	Annual Report, Remuneration		N/A
102-37	Stakeholders' involvement in remuneration	Our Management Approach to Stakeholder Engagement		N/A
102-38	Annual total compensation ratio	People Data Pack		N/A
102-39	Percentage increase in annual total compensation ratio	People Data Pack		N/A
102-40	List of stakeholder groups	Our Management Approach to Stakeholder Engagement Stakeholder Engagement Deep Dive		N/A
102-41	Collective bargaining agreements	Human Rights Deep Dive	Principle 3	N/A
102-42	Identifying and selecting stakeholders	Our Management Approach to Stakeholder Engagement Stakeholder Engagement Deep Dive		N/A
102-43	Approach to stakeholder engagement	Our Management Approach to Stakeholder Engagement Our Management Approach to Customer Engagement and Experience		Customer engagement Ability to harness digital business opportunities to remain competitive
102-44	Key topics and concerns raised	Reporting Approach		N/A
102-45	Entities included in the consolidated financial statements	Annual Report		N/A

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
102-46	Defining report content and topic boundaries	Reporting Approach		N/A
102-47	List of material topics	Reporting Approach		N/A
102-48	Restatements of information	Any restatements are indicated using footnotes in the report.		N/A
102-49	Changes in reporting	Reporting Approach		N/A
102-50	Reporting period	Reporting Approach		N/A
102-51	Date of most recent report	Reporting Approach		N/A
102-52	Reporting cycle	Reporting Approach		N/A
102-53	Contact point for questions regarding the report	Reporting Approach		N/A
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Approach		N/A
102-55	GRI content index	GRI Index		N/A
102-56	External assurance	Reporting Approach		N/A
GRI 103: Management Approach				
103-1	Explanation of the material topic and its Boundary	Reporting Approach Annual Report		N/A
103-2	The management approach and its components	Management approach documents for enduring themes available on our [website]		N/A
103-3	Evaluation of the management approach	As per 103-2 above		N/A
GRI 200: Economic				
201-1	Direct economic value generated and distributed	Annual Review Community Deep Dive		Community
201-2	Financial implications and other risks and opportunities due to climate change	Annual Report, Climate-related Financial Disclosures Our Management Approach to Climate Resilience Stockland CDP submission	Principle 7	Climate change impacts our assets, operations and the broader community Climate Resilience

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201-3	Defined benefit plan obligations and other retirement plans	Stockland does not offer defined benefit plans.		Employee engagement and development
201-4	Financial assistance received from government	Stockland does not receive financial assistance from government.		Stakeholder engagement
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	People Data Pack		N/A
202-2	Proportion of senior management hired from the local community	People Data Pack		N/A
203-1	Infrastructure investments and services supported	Community Data Pack		Community
203-2	Significant indirect economic impacts	Community Deep Dive Community Data Pack		Community
204-1	Proportion of spending on local suppliers	Supply Chain Deep Dive		Supply chain
205-1	Operations assessed for risks related to corruption	Human Rights Deep Dive Governance and Risk Deep Dive	Principle 10	Human rights
205-2	Communication and training about anti-corruption policies and procedures	Governance and Risk Deep Dive	Principle 10	Human rights
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption in FY18.	Principle 10	Human rights
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions for anti-competitive behaviour, anti-trust, or monopoly practices in FY18.		Human rights
GRI 300: Environmental				
301-1	Materials used by weight or volume	Waste and Materials Deep Dive	Principle 7 Principle 8	Waste and materials
301-2	Recycled input materials used	Waste and Materials Deep Dive	Principle 8	Waste and materials
301-3	Reclaimed products and their packaging materials	Not relevant for our organisation.	Principle 8	N/A
302-1	Energy consumption within the organization	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7	Carbon and energy

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
302-2	Energy consumption outside of the organization	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8	Carbon and energy
302-3	Energy intensity	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8	Carbon and energy
302-4	Reduction of energy consumption	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8 Principle 9	Carbon and energy
302-5	Reductions in energy requirements of products and services	Carbon and Energy Deep Dive Asset Rating and Certification Deep Dive	Principle 8	Carbon and energy
303-1	Water withdrawal by source	Environmental Data Pack	Principle 7 Principle 8	Water Management
303-2	Water sources significantly affected by withdrawal of water	Water Management Deep Dive	Principle 8	Water Management
303-3	Water recycled and reused	Water Management Deep Dive	Principle 8	Water Management
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Data Pack Biodiversity Deep Dive	Principle 8	Biodiversity
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Deep Dive	Principle 8	Biodiversity
304-3	Habitats protected or restored	Biodiversity Deep Dive	Principle 8	Biodiversity
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Deep Dive	Principle 8	Biodiversity
305-1	Direct (Scope 1) GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
305-2	Energy indirect (Scope 2) GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
305-3	Other indirect (Scope 3) GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
305-4	GHG emissions intensity	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8	Carbon and energy

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
305-5	Reduction of GHG emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 8 Principle 9	Carbon and energy
305-6	Emissions of ozone-depleting substances (ODS)	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Carbon and Energy Deep Dive Environmental Data Pack	Principle 7 Principle 8	Carbon and energy
306-1	Water discharge by quality and destination	Water Management Deep Dive	Principle 8	Water Management
306-2	Waste by type and disposal method	Environmental Data Pack Waste and Materials Deep Dive	Principle 8	Waste and materials
306-3	Significant spills	There we no significant spills to report in FY18.	Principle 8	Waste and materials
306-4	Transport of hazardous waste	Our Management Approach to Waste and Materials	Principle 8	Waste and materials
306-5	Water bodies affected by water discharges and/or runoff	Water Management Deep Dive	Principle 8	Waste and materials
307-1	Non-compliance with environmental laws and regulations	No fines or sanctions related to non-compliance with environmental laws and regulations in FY18.	Principle 8	Regulatory and policy changes impact our business and customers
308-1	New suppliers that were screened using environmental criteria	Our Management Approach to Supply Chain Supply Chain Deep Dive	Principle 8	Supply chain
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Deep Dive	Principle 8	Supply chain
GRI 400: Social				
401-1	New employee hires and employee turnover	People Data Pack Employee Engagement, Development, Diversity and Inclusion Deep Dive	Principle 6	Employee engagement and development
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People Data Pack Employee Engagement, Development, Diversity and Inclusion Deep Dive		Employee engagement and development
401-3	Parental leave	People Data Pack Employee Engagement, Development, Diversity and Inclusion Deep Dive	Principle 6	Employee engagement and development

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
402-1	Minimum notice periods regarding operational changes	Employee Engagement, Development, Diversity and Inclusion Deep Dive	Principle 3	Employee engagement and development
403-1	Workers representation in formal joint management–worker health and safety committees	Operational and development teams across the business are required to address work health and safety (WHS) as a standard agenda item on business meetings, replacing the need for formal WHS Committees. However, it is noted that as per regulations, committees must be established if requested by workers.		Health and safety
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Health and Safety Deep Dive People Data Pack		Health and safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	Health and Safety Deep Dive People Data Pack		Health and safety
403-4	Health and safety topics covered in formal agreements with trade unions	Human Rights Deep Dive		Health and safety
404-1	Average hours of training per year per employee	Employee Engagement, Development, Diversity and Inclusion Deep Dive People Data Pack	Principle 6	Employee engagement and development
404-2	Programs for upgrading employee skills and transition assistance programs	Our Management Approach to Employee Engagement and Development Employee Engagement, Development, Diversity and Inclusion Deep Dive		Employee engagement and development
404-3	Percentage of employees receiving regular performance and career development reviews	People Data Pack	Principle 6	Employee engagement and development
405-1	Diversity of governance bodies and employees	Annual Report People Data Pack	Principle 6	Diversity and inclusion
405-2	Ratio of basic salary and remuneration of women to men	People Data Pack	Principle 6	Diversity and inclusion
406-1	Incidents of discrimination and corrective actions taken	Human Rights Deep Dive	Principle 6	Human rights
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights Deep Dive	Principle 2 Principle 3	Human rights
408-1	Operations and suppliers at significant risk for incidents of child labour	Supply Chain Deep Dive	Principle 1 Principle 2 Principle 5	Human rights

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Supply Chain Deep Dive	Principle 1 Principle 4 Principle 2	Human rights
410-1	Security personnel trained in human rights policies or procedures	Human Rights Deep Dive	Principle 1 Principle 2	Human rights
411-1	Incidents of violations involving rights of indigenous peoples	Human Rights Deep Dive	Principle 1	Human rights
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights Deep Dive	Principle 1	Human rights
412-2	Employee training on human rights policies or procedures	Human Rights Deep Dive	Principles 1-6	Human rights
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All significant investments were made in Australian property. These investments did not signal the need for human rights screening.	Principles 1-6	Human rights
413-1	Operations with local community engagement, impact assessments, and development programs	Stakeholder Engagement Deep Dive Community Deep Dive		Community
413-2	Operations with significant actual and potential negative impacts on local communities	Stakeholder Engagement Deep Dive	Principle 1	Community
414-1	New suppliers that were screened using social criteria	Our Management Approach to Supply Chain Our Management Approach to Human Rights	Principles 1-6	Supply chain Human rights
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Deep Dive Human Rights Deep Dive	Principle 2	Supply chain Human rights
415-1	Political contributions	Our Management Approach to Stakeholder Engagement	Principle 10	Stakeholder engagement
416-1	Assessment of the health and safety impacts of product and service categories	Health and Safety Deep Dive		Health and safety Security risks and unexpected market events impact business continuity and community resilience

	DISCLOSURE	LOCATION OR COMMENT	UNGC	RELEVANT MATERIAL MATTER OR ENDURING THEME
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No confirmed incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle.		Health and safety Increasing expectation on organisations from the community
417-1	Requirements for product and service information and labeling	Not relevant for our organisation.		N/A
417-2	Incidents of non-compliance concerning product and service information and labeling	No incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling in FY18.		Regulatory and policy changes impact our business and customers
417-3	Incidents of non-compliance concerning marketing communications	No incidents of non-compliance with regulatory requirements for marketing material in FY18.		Regulatory and policy changes impact our business and customers
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Human Rights Deep Dive		Health and safety Increasing expectation on organisations from the community
419-1	Non-compliance with laws and regulations in the social and economic area	No incidents of non-compliance with laws and regulations in the social and economic area in FY18.		Governance and risk Regulatory and policy changes impact our business and customers