



Measuring value supports sustainability business case

August 2012

Our approach to sustainability

COMMERCIAL PROPERTY SUSTAINABILITY POLICY



RESIDENTIAL SUSTAINABILITY POLICY



RETIREMENT LIVING SUSTAINABILITY POLICY



Valuable recognition

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**DOW JONES SUSTAINABILITY INDEX WORLD
(DJSI WORLD) 2011–12
REAL ESTATE SUPER SECTOR LEADER**



RANKED 55TH, CORPORATE KNIGHT GLOBAL 100
MOST SUSTAINABLE CORPORATIONS IN THE WORLD,
ANNOUNCED AT THE WORLD ECONOMIC FORUM,
DAVOS, JANUARY 2011



2011 EMPLOYER OF CHOICE FOR WOMEN,
EQUAL OPPORTUNITY FOR WOMEN IN
THE WORKPLACE AGENCY (EOWA)



MEMBER, FTSE4GOOD INDEX, 2011



GOLDMAN SACHS JB WERE CLIMATE LEADERSHIP
INDEX, CARBON DISCLOSURE PROJECT 2011



Energy focus has a clear return on investment

Issue

Measuring, quantifying and reporting the value delivered by energy efficiency

Response

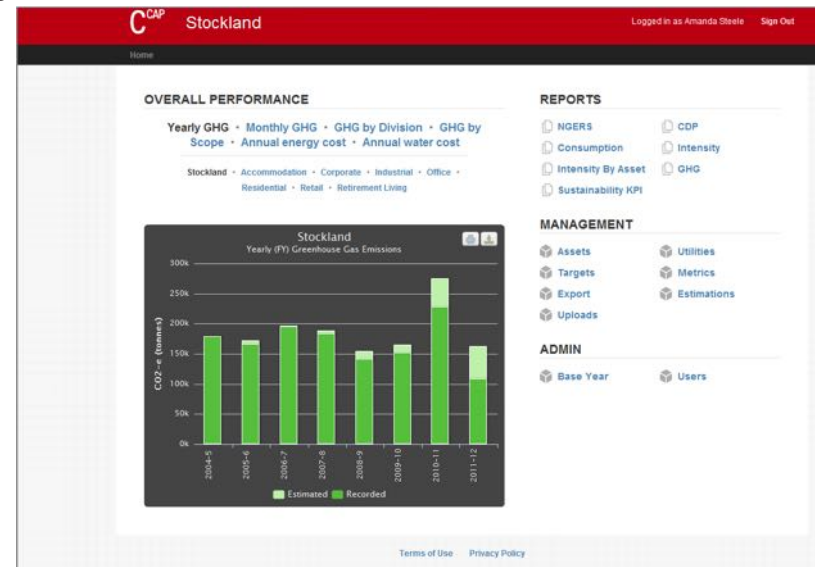
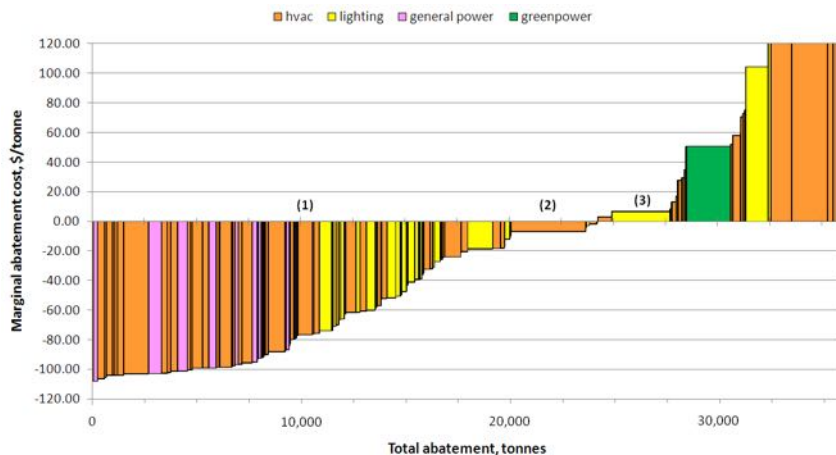
Using evidence-based decision-making tools to invest in the right projects at the right time

Measurement

- Meeting 2014 targets in energy and emissions intensity reduction
- All centres to meet minimum standards (e.g. energy intensity, NABERS ratings, Green Star ratings)

Results

- **Since 2006 current savings on energy are approximately \$25 million**
- Closely tracked and reported through to the Board



Beyond anecdotal evidence and intuition- Livability

Collaboration

Steering Committee

External

KPMG

Colmar Brunton

Deakin University

Internal

CR&S

CD Managers

Project Teams

To Develop

Measurement Tool

- Affordable Living
- Economic Prosperity
- Access & Connectivity
- Belonging & Identity
- Health & Wellbeing
- Governance & Engagement

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Questions



Highlands



Mernda Villages



North Shore

An evidence based approach to community satisfaction

Community insights

Our response

Belonging and identity

Young families have a high sense of belonging and identity, but this score is lower amongst other **life stages**

- Greater emphasis on effective engagement via community governance mechanisms (e.g. residents groups) and delivery of community events catering to all life stages.

Demand for services

Insights provide a true and immediate reflection of **present needs** within the community
Results indicate higher satisfaction can be attributed to **early delivery** of amenity

- Use of evidence for timely delivery of services and facilities that meet the needs of our communities (e.g. retail at North Shore).

Lifelong learning

Residents are least satisfied with the **quality and accessibility** of education in their communities

- Use of evidence to influence key stakeholders in the delivery of quality learning facilities.

Health and wellbeing

Residents believe **safety** is the most important ingredient for a vibrant community and want to be mentally and physically **active** in their communities

- Leverage the perception of safety through an emphasis on community connection and design.
- Activation and programming of public open space and community facilities.

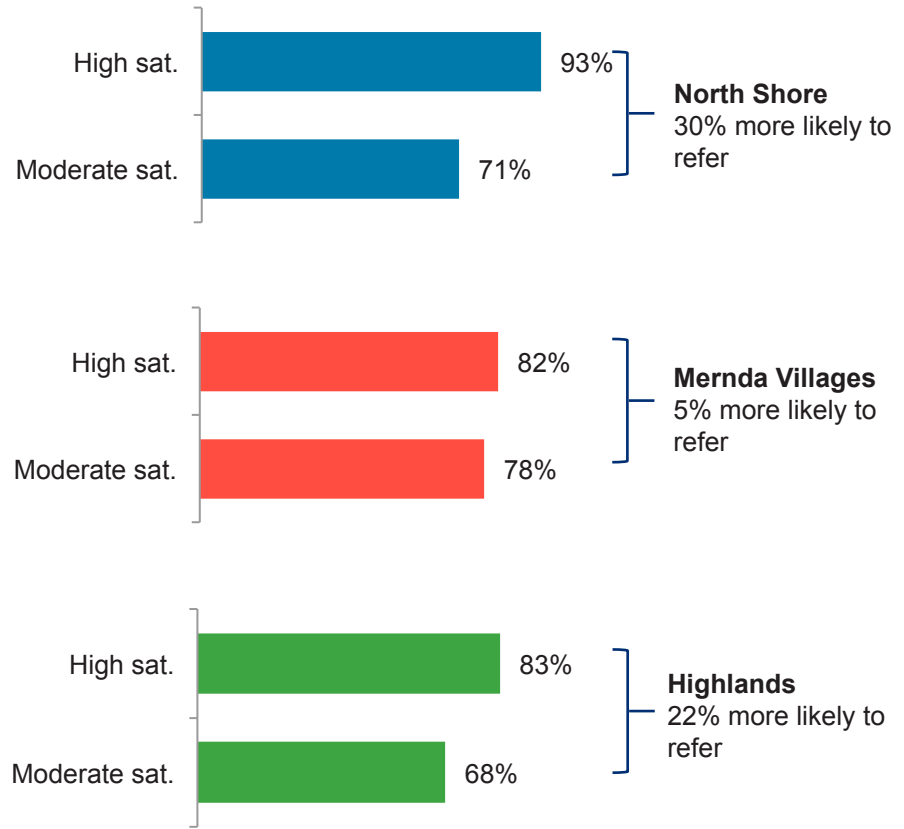
Product and design

Housing **quality** and product **mix** can negatively impact resident satisfaction.

- Greater attention to design solutions and quality in delivery of smaller product.

Referrals are driven by the need residents have for social connection

% of Residents That Have Referred Family / Friends



Social contribution of our retirement villages

Issue

Demonstration of the **social value** created by our business

Response

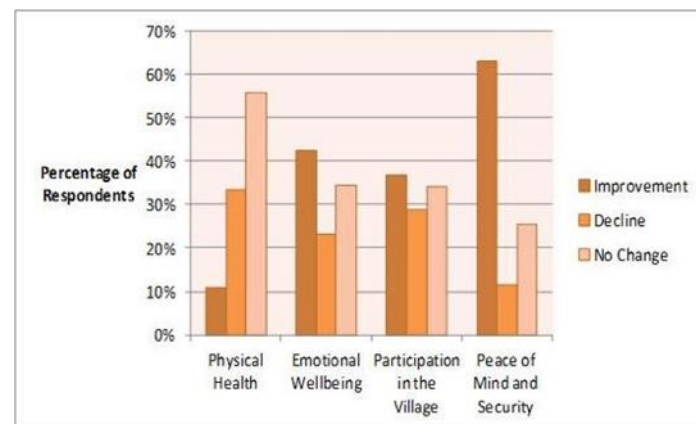
Undertake a **Social Return on Investment** study to quantify impact

Results

- A typical village contributes \$2.9m of value to residents, family and the local community every year
- Physical and emotional improvements for residents and family significant
- Overall Stockland RL impact \$110m year on year

Next steps

- Compare village social value with referral rates and occupancy – do high social value villages have lower vacancy rates?
- Use results to guide areas of wellbeing focus at villages – opportunities
- Develop social value assessment tool to improve future developments



Wellbeing survey results - peace of mind / security and emotional wellbeing are significantly improved for residents in our villages

Summary

Measuring and reporting value is critical in building the internal business case for the work we do as sustainability professionals

We have:

- Proven a return on investment using direct cost savings benefits from energy efficiency
- Used our liveability index work to provide insights on the focus areas and activities that drive satisfaction, referrals and ultimately sales
- Valued the social return on investment that our retirement Living Villages deliver for residents, their families and the broader community

We will:

- Continue to apply and expand these approaches to measuring business benefit from sustainability activity
- Report this value through integrated reporting – reporting financial and non-financial metrics
- Use the insights from this work to focus on the right things at the right time

Some local examples of how sustainability is delivered on the ground

The Handbook - Townsville

Partnership with Ergon Energy and Stockland

Educate those building a new home on:

- How simple choices they make today will significantly affect the running cost of their home in the future;
- What simple mistakes to avoid
- What choices are available
- The Townsville Climate and how to capture the prevailing summer breeze and how to orientate living areas

Educate builder sales staff on:

- Energy efficiency in new homes
- How to answer questions from the public on energy efficiency
- Help their customers avoid costly mistakes

Bring Energy and sustainability to the table when choosing, designing and building a new home



Stockland Retail Green Star in Queensland

- **Two centres have achieved a 4 star Green Star Retail Design rating in 2011 with North Shore in Townsville the first Retail Green Star in Queensland**
- **Harvey Bay also registered and aiming for 4 Star Green Star and others on the horizon**
- **Also aiming for 4 star Green Star Retail As Built ratings for all of these**

Common sustainability initiatives:

- Energy and water submetering to monitor consumption and ensure any leaks can be detected and fixed straight away
- Ample amounts of daylight to allow electric lighting to be turned off during the day to save energy
- Rainwater collection for reuse in the bathrooms and irrigation
- Low toxicity paints and sealants (low VOC)
- Water efficient toilets, taps and showers
- Bike storage facilities with showers provided for staff
- Over 80% of construction waste recycled

“This is the first retail project in Queensland to gain a Green Star – Retail v1 rating, and only the third project in the country. We congratulate the project team responsible for Stockland North Shore for demonstrating that green outcomes are achievable in a retail setting.”

Romilly Madew, Chief Executive of the Green Building Council of Australia



Green Building Fund Grants

Federal Government Funding for building energy efficient retrofits in Townsville and Cairns



Townsville

- Townsville shopping centre won \$500k for upgrading the existing centre with new lighting and controls, energy submetering and a new central, chilled water air-conditioning plant.
- These retrofits should see the centre go from a 1.5 star NABERS Retail Energy rating to 3 stars and achieve an annual reduction of 2,000 tonnes of CO2.
- The energy submetering is part of a wider Stockland roll-out of submetering to nearly all of its shopping centres. Gives us greater visibility of the energy consumption in the base building so we can check on items that are using too much energy or be able to see if items are left on overnight when they should be off.

Cairns

- Cairns shopping centre won over \$100k for a Air-Conditioning Control Demand Upgrade and Building Tuning Project
- Converts the existing air conditioning system, which currently operates as a constant volume system, to a demand controlled ventilation system based on occupant levels and the amount of CO2 in the mall
- In addition, a building tuning program will optimise the performance of building systems assisting to reduce energy consumption by 20% or 1,090,000 kWh pa saving 1,133 tonnes/CO2.