



18 August 2006

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Dear Bob

Carbon Disclosure Project 4

Stockland is pleased to submit our first response to the Carbon Disclosure Project. Our response to the Project has been timed with the preparation of our first Corporate Responsibility and Sustainability Report.

Our approach to incorporating sound Corporate Responsibility and Sustainability practices into our business is to consider our impact on the environment and community in which we operate and to ensure we operate with integrity. Responding to the Carbon Disclosure Project helps us to better understand our impacts in relation to climate change, and how we can continue to strive to improve our environmental performance.

For queries regarding our submission, please contact our Group Manager, Corporate Responsibility and Sustainability, Siobhan Toohill on 02 9020 8223.

Yours sincerely

Matthew Quinn
Managing Director



**Carbon Disclosure Project 4 -
Response**

Stockland Corporation Limited
18th August 2006

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Summary Table

1 Introduction

Stockland is one of Australia's largest and most diversified property groups in both asset classes and location of assets.

We own, develop and manage property across Australia and have some interests in New Zealand.

Stockland was founded in 1952 and initially specialised in residential development. It was listed on the ASX in 1957 and in the early 1960's diversified into the development of commercial and retail projects along the eastern seaboard. We are now one of the top 50 ASX listed public companies (ASX: SGP) with a market capitalisation in excess of \$9 billion and total assets of over \$9.6 billion.

The company has achieved 24 years of consecutive profit growth and consistent returns for security holders. Stockland is structured as a stapled security; a combination of a unit in a trust and a share in a company. This allows the Group to undertake both property investment (via Stockland Trust) and property management and development (via Stockland Corporation).

Stockland has been invited to respond to the 4th Carbon Disclosure Project. This is the first year the international investment group have targeted stocks outside the FT 500, with the ASX 100 invited to respond.

This report covers our Australian operations:

- Commercial Industrial & Office Parks
- Shopping Centres
- Development Division
- Saville Hotel Group
- Unlisted Property Funds

We have established the 2006 financial year as a base year for reporting and include commentary on the availability of data to meet particular reporting requirements.

1.1 Corporate Responsibility & Sustainability at Stockland

Our approach to incorporating sound Corporate Responsibility and Sustainability practices into our business is to consider our impact on the environment and community in which we operate and to ensure we operate with integrity.

Our approach is underpinned by a company-wide commitment to act as a responsible corporate citizen and to conduct our business ethically and in accordance with best practice corporate governance principles.

Guiding this approach is our Corporate Responsibility & Sustainability Vision - *To meet or exceed the expectations of all our stakeholders and thereby to contribute to the long term sustainability of our business.*

We have established four strategic themes to be pursued as part of our CR&S Strategy. Each theme has specific initiatives, timelines and responsibilities to achieve the strategic intent, and address the interests of our stakeholders.

- Taking care of the **environment** in which we operate
- Maintaining ethical and responsible **marketplace** practices
- Respecting and engaging with our **people**
- Strengthening our place within the **community**

2 Questionnaire Response

1 **General**

How does climate change represent commercial risks and/or opportunities for your company?

Stockland recognises that climate change presents both commercial risks and opportunities that require consideration, management and when appropriate within our broader business strategy, capitalisation. Recent research indicates that companies are already being impacted in financial terms due to the effects of climate change on their costs, revenues, assets or liabilities¹.

Regulatory risks, competitive and reputational risks need to be considered along with the physical risks of climate change to property assets due to our high exposure to physical property assets.

Stockland recognises that increasingly the community expects that resource use will be minimised and that in a competitive leasing environment major tenants and government will be placing greater emphasis on sustainable building performance. Investors are seeking to understand the risk exposure of investments to climate change and give consideration to actions in this area in making investment decisions. Positioning the Stockland brand appropriately, supported by our demonstrable commitment to sustainability, will ensure we remain a market leader. The need to respond to these demands is also providing opportunities for consideration of innovative building techniques and emerging technologies.

From a regulatory perspective, governments are increasingly demanding action from companies, including the listed property trust sector, to address climate change. The Australian Business Roundtable on Climate Change have called for the establishment of a long-term aspirational goal and short-term binding target for reduction in GHG emissions, as well as mandating best practice performance standards for buildings².

Stockland is aware of the potential financial implications of the internalisation of a greenhouse gas price in relation to building materials, which are often energy-intensive to produce. Stockland is seeking to understand further the implications of environmental value through the supply chain.

Stockland has already implemented a comprehensive energy and water audit program across the Commercial and Industrial property portfolio and is adopting industry performance metrics as they come online. We are also

¹ Australian and New Zealand Investor Group on Climate Change (IGCC). (2005). A climate for change: A trustee's guide to understanding and addressing climate risk. The Carbon Trust.

² Australian Business Roundtable on Climate Change.(April 2006). The Business Case for Early Action. Australian Business Roundtable on Climate Change.

well positioned to respond to the increased level of sophisticated environmental performance increasingly required in development applications.

Stockland recently announced the intention to sell the Saville Hotel Group, meaning that the direct and indirect (relatively high) contribution of this sector to greenhouse gas emissions will no longer be applicable to our operations. Stockland remains aware of the value of tourism to many communities in Australia, and of the importance of cheap road and air travel in enabling these communities to continue to thrive. These factors are significantly contingent upon prices determined by influences of oil markets as well as environmental pricing. Stockland rental and asset pricing in Australian communities may be affected by such considerations.

Otherwise, Stockland is cognisant of the potential for increased extreme weather events, such as precipitation and hailstorms in the Sydney region, and increased cyclone frequency and intensity in tropical regions of Australia, where Stockland also builds and owns assets. Stockland is mindful of the need to understand how these buildings are influenced by such events, and understand design parameters for future activity. Further secondary ramifications of increased volatility and weather extremes include insurance price changes, and behavioural change. Example of behavioural change includes heating and cooling requirements, as well as changes in economic activity such as retail sales.

There is the opportunity for Stockland to become a New South Wales Greenhouse Gas Abatement Certificate (NGAC) provider. Reductions in carbon dioxide emissions, verified through the Australian Building Greenhouse Rating (ABGR) process, can generate tradeable NGACs.

2 Regulation

What are the financial and strategic impacts on your company of existing regulation of GHG emissions, and what do you estimate to be the impact of proposed future regulation?

Despite the risk management approach that Stockland is developing, it is clearly preferable that the Commonwealth provides clarity through the establishment of a carbon price that enables medium and long-term planning to be undertaken, and which would provide for returns to mitigation projects over longer time frames.

Stockland is tracking developments in relation to a State-based emissions trading scheme in Australia, and mindful of Commonwealth Ministerial statements which indicate a market-based mechanism under a post-2012 global climate change agreement is preferable.

Within Australia, the New South Wales GHG Abatement Program is the only emissions program to which Stockland has exposure. The trading scheme provides an opportunity for Stockland to generate carbon credits through improvements in building efficiency. This is an additional revenue opportunity and a driver for technology and systems innovation.

Stockland remain interested in the development of metrics that relate emissions to enterprise indicators such as floorspace, turnover and profit in order to better understand and manage changed environmental pricing scenarios.

3 Physical risks

How are your operations affected by extreme weather events, changes in weather patterns, rising temperatures, sea level rise and other related phenomena both now and in the future? What actions are you taking to adapt to these risks, and what are the associated financial implications?

With high property exposure, Stockland is particularly conscious of the impacts of climate change on the built environment. Property assets are directly exposed to the physical impacts of climate change, including increased intensity and frequency of weather events, droughts, floods, storms and rising sea levels³.

Stockland is aware of pressures on existing infrastructure in particular the utilities associated with power transmission and water supply. Disruptions to these supply lines represent a significant risk to Stockland assets.

For existing assets, modified weather regimes are likely to mean changes in demand for building comfort, for example, increased electricity consumption for air-conditioning in some regions and increased natural gas consumption for heating in others. An increase in structural fatigue, insurance and maintenance costs should be anticipated.

There is also a potential for a change in consumer preferences for particular locations as weather changes⁴. These preference and other secondary impacts have the potential to impact marginally on rental and asset values.

Climate proofing properties will become part of the acquisition and management process. However Stockland is well positioned to capitalise on the increasing opportunities arising from increased demand for energy efficient commercial and residential properties.

4 Innovation

What technologies, products, processes or services has your company developed, or is developing, in response to climate change?

As a major diversified property business and Australia's largest residential developer, Stockland has long been focused on environmental sustainability. We have understood and embraced the importance of sustainable project delivery and reporting and have worked alongside

³ Allen Consulting Group, (March 2005). Climate Change Risk and Vulnerability: promoting an efficient adaptation response in Australia. Australian Greenhouse Office, Department of the Environment and Heritage.

⁴ Ceres (2006). Managing the Risks and Opportunities of Climate Change: a practical toolkit for corporate leaders. Ceres.

government and within the industry to develop the required strategies and tools to assist.

We recognise that we have a responsibility to reduce our environmental footprint in terms of the assets that we manage, and through our commercial office, industrial, shopping centre, apartments and residential community development projects. We work with a range of industry tools to measure our impact, and to improve our performance.

Environmental Management Policy

Our commitment to protecting the environment, conserving resources and eliminating or minimising adverse environmental impacts and risks is enshrined within our Environmental Management Policy

Environmental Management System

Stockland has also recently committed to establishing an environmental management system in line with the requirements of the AS/NZS ISO 14001:2004 standard. In 2007, Stockland will establish the major framework of its environmental management system and commence setting up a number of environmental key performance indicators that will enable the company to measure its environmental performance in a systematic manner, with a view to continual improvement.

Monthly Sustainability Reports

The Commercial and Industrial Division (C&I) has set its specific sustainability goal *“to be a leader in the Commercial and Industrial property sector by implementing sustainable business practices that are recognised by its stakeholders”*.

A vital step towards achieving the goal was the institution of monthly sustainability reports for our commercial office buildings. These reports track formal and informal sustainability ratings across the property portfolio. They provide data on electricity, water, and gas consumption and diversion of waste from landfill. They also include targets for improvement in future performance.

Energy Audits and Savings Plans

Our Commercial and Industrial Division (C&I) has undertaken energy audits of our commercial office portfolio. C&I are working with technology company EP&T to determine how electricity consumption can be reduced. A program of improvement including metering, sub-metering and monitoring, equipment adjustment and assessment is being implemented.

C&I have set a target of 8 per cent reduction, from the 2004/5 baseline, in electricity consumption by 30 June 2007, equating to a reduction of approximately 4230 tonnes of carbon dioxide emissions.

Greenhouse Ratings

During 2006, the Commercial and Industrial Division (C&I) obtained Australian Building Greenhouse Ratings (AGBR) across the property portfolio, with the exception of properties about to be sold or refurbished.

The ABGR scheme is nationally administered by government to help building owners and tenants across Australia benchmark their greenhouse performance.

The average rating for the C&I commercial office portfolio is 2.6. We have established a target of 3.3 to be achieved by June 2007 for the existing portfolio, and a minimum of 4.5 for new buildings.

Adoption of NSW Building Sustainability Index (BASIX)

BASIX (Building Sustainability Index) is a sustainability tool developed by the NSW Government to set greenhouse gas emissions and lower water consumption targets for all new NSW dwellings. The Index was launched in July 2004, and Stockland's Development Division was the first developer to build BASIX-compliant dwellings at its Bridgewater Display Village, South Camden. Stockland, in joint venture with Landcom, has also been the first to develop the first fully compliant residential community. Stockland has actively worked with the BASIX development team providing data and feedback to aid the refinement and usability of the tool.

Community Partnerships

The Foster shopping centre redevelopment has partnered with the local school in contributing to tree planting.

In partnership with Clean-Up Australia, Stockland became the first national shopping centre group to sell reusable shopping bags, supporting retail tenants in the shared goal of reducing plastic bag consumption. Less plastic bags means resource savings from manufacture, less waste to landfill and less litter in the environment.

Industry Capability Building

We are working with peak industry groups and authorities to provide input into current and future programs designed to address environmental impacts. Our membership and involvement includes:

Green Building Council of Australia

Our Shopping Centre Division sponsored and has participated in the GBCA's (Green Building Council of Australia) Technical Working Group towards the establishment of the *Shopping Centre GreenStar Design Tool*. This tool guides the development of shopping centres to enhance their environmental performance across a wide range of environmental indicators.

We also participate in the Green Building Council of Australia Education Committee

Property Council of Australia

Stockland is a member of the Property Council of Australia NSW Sustainability Committee

NABERS (National Australian Built Environment Rating System)

NABERS is a performance-based rating system for existing buildings. The system incorporates the Australian Building Greenhouse Rating (ABGR) that rates greenhouse emissions (energy consumption). In April 2006, NABERS Office Water was launched to measure the water consumption of an office building. Stockland was involved in providing data to enable benchmarking, and participated on the technical advisory group to develop the tool.

The Commercial & Industrial Division has commenced rating its office portfolio using this tool, and Stockland is on track to be one of the first property groups to have a water rated office portfolio.

ABGR Tool For Shopping Centres

The Shopping Centre Division has also assisted the NSW Government develop an ABGR (Australian Building Greenhouse Rating) tool for shopping centres.

AccuRate

The Development Division has provided feedback on the emerging national thermal comfort tool, AccuRate.

Other organisation or committee involvement working towards sustainability:

- Urban Development Institute of Australia
- Board Member of the Australian Business and Community Network and Member of the Operational Taskforce
- Housing Industry Association, including being a GreenSmart National Leader
- Property Industry Foundation Advisory Board
- National Association of Women in Construction

Tenant Engagement

The Commercial and Industrial Division (C&I) recognises the importance of gaining the support and co-operation of tenants, suppliers and service providers. In the coming year, C&I will pay particular attention to working with partners to raise awareness and commitment to sustainable practices.

In Our Workplace

We recognise we can influence the environmental impact of our workplace practices. In 2003, we introduced recycled content paper. Over the past two years we communicated the importance of 'being green' in the workplace, encouraging our employees to be mindful of reducing water and energy consumption, and introducing a recycling program.

We also participate in Planet Ark's consumable recycling, recycling our printer, fax and toner cartridges. Prior to our head office relocation, we have earmarked the donation of computer hardware to Workventures, for redistribution to schools and families in need.

Recognition and Awards

Stockland's sustainability commitment and initiatives have been recognised through a number of industry awards, most recently:

NAWIC (National Association for Women in Construction) Southern Cross Construction Sustainability Award to Siobhan Toohill, Group Manager, Corporate Responsibility and Sustainability.	2006
AILA (Aust Institute for Landscape Architects) NSW Awards – Environment Category – Lakewood NSW – Commendation for its Vegetation Management (PSB) (Dec 05)	2005
HIA award GreenSmart energy efficiency award (for the Lumina Collection of homes at Fernbrook Sanctuary, Warriewood) (Oct 05)	2005
National HIA Award – GreenSmart Professional Company of the Year (featuring projects from all Development Division's Business Units, including Bridgewater, Wallarah and Waterside (NSW), Prince Henry and Tooronga (Apartments), Mernda and Hidden Grove (Victoria), Jacobs Ridge and The Observatory (Queensland), Settlers Hills and The Sanctuary (WA) (Aug 05)	2005

5 **Responsibility**

Who at Board level has specific responsibility for climate change related issues and who manages your company's climate change strategies? How do you communicate the risks and opportunities from GHG emissions and climate change in your annual report and other communications channels?

A clear structure of communication around sustainability has been established within Stockland, enabling involvement from all staff through to the Chairman of the Board. This is inline with one of our key themes of corporate responsibility and sustainability – 'Respecting and engaging with our people'.

We have appointed a Group Manager, Corporate Responsibility and Sustainability (CR&S) to facilitate the development of our strategy, and guide its implementation and integration throughout the business.

The CR&S Group Manager provides support for the recently established Corporate Responsibility and Sustainability Board Committee. Chaired by Stockland's Chairman, Graham Bradley, the Committee's purpose is to assist the Board in overseeing Stockland's commitment to operate its

businesses ethically, responsibly and sustainably. Non-executive Director Peter Scott and Managing Director, Matthew Quinn are also members.

The CR&S Group Manager also coordinates the Stockland Corporate Responsibility and Sustainability Employee Committee. The Committee is comprised of representatives across the business, to drive specific aspects of our CR&S Strategy. The Committee meets monthly, facilitating an enterprise-wide forum around our progress, challenges and opportunities.

At Stockland, we don't just assign responsibility for sustainability performance, we measure it. CR&S objectives are included within the scorecards of our senior leadership team. This has proven to be a powerful driver in ensuring that our sustainability objectives are considered alongside all other business drivers.

6 **Emissions**

What is the quantity in tonnes CO₂e of annual emissions of the six main GHG's produced by your owned and controlled facilities in the following areas, listing data by country?

Stockland has identified the following sources of GHG emissions from across our business activities

- Scope 1 Direct Emissions from the on-site combustion of natural gas for heating; combustion of fuel from company owned vehicles, and fugitive hydro fluorocarbon (HFC) emissions from the use of air conditioning equipment.
- Scope 2 In-Direct Emissions from electricity purchased for properties.
- Scope 3 Other Indirect GHG Emissions from transport related activities, both employees and purchased materials, waste transport and disposal, production of office and property consumables and the activities of building tenants.

2.1.1 Scope 1 - Direct Emissions

On-site Natural Gas Consumption

Natural gas consumption data has been captured from the majority of the Stockland commercial property portfolio.

Total consumption recorded from these properties for the 2006 financial year was 22,071,546 MJ, generating 1,133 tonne of CO₂ emissions, 2.1 tonne of GWP-weighted CH₄ emissions and 0.6 tonne of GWP-weighted N₂O emissions, for total GHG emissions of 1135.7 tonne.

Year	CO2 (tones)	CH4 GWP- weighted equivalents (kg)	N2O GWP- weighted equivalents (kg)	Total GHG Emissions ⁵
2006	1,133.01	2,085.76	615.80	1135.7

Vehicle Use

Total fuel consumption from company owned fleet vehicles for the 2006 financial year and resulting GHG emissions are presented below: A total of 179,944 km were travelled, resulting in 432.9 tonnes of GHG emissions.

Fuel Type	Consumption (litres)	GHG Emissions (tonne CO2) ⁶
Unleaded Petrol and Premium Unleaded Petrol	167,988	400.1
Diesel	11,955	32.8
TOTAL	179,944	432.9

135 litres of ethanol fuel has not been included in the calculations due to a lack of fuel source information to allow the assigning of an appropriate emission factor.

Refrigeration equipment

As an owner and manager of many commercial, retail and industrial properties and hotels, Stockland maintains a significant amount of refrigeration and air-conditioning equipment. Stockland recognises the GHG emission potential from owned and controlled refrigeration and air-conditioning equipment, however we are not currently in a position to confidently report on the extent of those emissions. A system to monitor and report on emissions from this source is currently under development with the aim of being able to report future periods.

2.1.2 Scope 2 - In-Direct Emissions from Electricity Purchase

Electricity consumption data has been captured from across the Stockland property portfolio. Commercial, shopping centres and hotels have good data coverage. Total recorded electricity consumption for the 2006 financial year was 145,431,150 kWh, resulting in 147,160 tonnes of CO2 emissions.

⁵ GHG Protocol Initiative (July 2005). Calculation Tool for Direct Emissions from Stationary Combustion. Version 2.0.

⁶ WRI-WBCSD GHG Protocol Initiative (June 2003) Mobile Combustion CO2 Emissions Calculation Tool. Version 1.2 - Emissions based on fuel use

Division	Percent represented	Total (kWh)	Total GHG (tonnes CO2) ⁷
Commercial	77%	64,785,385	65,555
Industrial	5%	4,698,906	4,755
Office Parks	33%	1,780,171	1,801
Shopping Centre	77%	65,776,496	66,558
Hotels	69%	8,390,192	8,490
TOTALS		145,431,150	147,160

2.1.3 Scope 3: Other indirect GHG emissions

Air Travel

Stockland has undertaken an analysis of flight sector reports to estimate distance travelled on commercial flights for business purposes. A total of 6,441,882 km were travelled in the 2006 financial year, resulting in 783.4 tonnes of CO2 emissions.

Sector Distance	Domestic (km)	International (km)	GHG Emissions (tonne CO2) ⁸
Short (<452 km)	145,255	2,189	26.5
Medium (452 to 1600 km)	4,026,442	2,786	507.7
Long (>1600 km)	1,733,770	531,440	249.2
TOTAL	5,905,467	536,415	783.4

Paper Use

For the 2006 financial year, Stockland consumed 61.6 tonnes of paper, 96.5% in office paper and consumables and the remainder in corporate printed material. 70% by weight of the paper used contained some recycled content. The Australian Greenhouse Office calculates the GHG emissions from paper based on the impacts of that paper when disposed of to landfill. To account for the worst case scenario, the GHG emissions recorded by Stockland assume that all paper consumed as disposed of to landfill, resulting in 154 tonnes of CO2-e.

⁷ WRI/WBCSD GHG Protocol Initiative (April 2006). Indirect CO2 Emissions from the Consumption of Purchased Electricity, Heat, and/ or Steam Calculation worksheets. V 1.1.

⁸ WRI-WBCSD GHG Protocol (June 2003) Mobile Combustion CO2 Emissions Calculation Tool. Version 1.2 - Emissions based on fuel use

	Total Weight (tonnes)	Emission Factor	Emissions ⁹ (CO2-e.)
Total Recycled Content Paper	44.3	2.5	110.7
Total Virgin Stock Paper	17.3	2.5	43.2
TOTAL	61.6		153.9

Waste Disposal

Across the Commercial and Industrial Division (C&I) office portfolio in NSW, contracted waste management, including a recycling program, is in place and the target of 50 per cent diversion from landfill (from the 2004/5 baseline) is being achieved. Our Queensland and Victorian properties are on track to achieve the target by the end of 2006.

As there is currently no accredited industry tool for measuring diversion of waste to landfill, C&I has collaborated with Macquarie University to develop an appropriate methodology. The vision is to agree with the Department of Environment and Conservation a recognised measurement tool for the industry in relation to waste and recycling.

7 **Products and services**

What are your estimated emissions in tonnes CO2 associated with the following areas; use and disposal of your products and services; your supply chain. Please explain the calculation methodology employed.

We have described our range of innovations to improve the environmental performance of our products and services. The Case Study *Smart Residential Design - Prince Henry at Little Bay* is a beacon project for Stockland sustainability performance.

Case Study

Smart Residential Design - Prince Henry at Little Bay.

The Stockland Development Division is currently developing 17 residential and mixed use lots at Prince Henry against five principles of smart residential design. The site is at Little Bay, a scenic and historic part of Sydney's eastern coastline. It is around 84 hectares of which 34 hectares will be redeveloped for residential, commercial and community uses.

1 Enviro Smart

We use a residential comfort index that takes into account thermal comfort, air quality, air movement and the use of natural light in dwelling design. Louvre solar shading for windows without overhead balconies control direct

⁹ Australian Greenhouse Office (2005), AGO Factors and Methods Workbook. Department of the Environment and Heritage.

sunlight and heat and secure crossflow ventilation. These initiatives should help reduce the need for air-conditioning and artificial lighting, decreasing energy consumption by around 25 per cent.

2 Techno smart

Prince Henry is the first masterplanned community in Australia to employ smart wiring and metering. Lighting, temperature and security systems will be centralised. When these are combined with a facility to monitor energy use, householders can improve energy savings.

3 Energy smart

Solar power will light apartment building common areas and drive a water pumping system to irrigate Prince Henry's public park. This will result in a combined environmental saving of approximately 85 tonnes of carbon dioxide emissions each year.

4 Water smart

Across the redevelopment site, a range of water innovations aim to reduce overall water consumption by 45 per cent. The use of water efficient fittings and appliances, recycled water and harvested rainwater will all contribute to reduced fresh water consumption.

5 Build smart

Design, construction and choice of building materials greatly affect an apartment's energy efficiency and also its ability to keep unwanted noise out. Along with the energy use reduction initiatives, our buildings incorporate the latest designs to maximise noise insulation between apartments.

Beyond the development phase, Stockland will also assist homebuyers to continue to maximise the water and energy efficiencies in their new homes. We have negotiated eco-packages with retailers that will lower the purchase price to householders of water and energy efficient refrigerators and washing machines. We will also provide home owners with information to assist them make minimal use of air-conditioning and lighting.

Geothermal air conditioning trial

Consistent with our desire to showcase emerging environmental technologies within the Prince Henry Development, we have taken the opportunity in one of our apartment buildings to install a geothermal heat pump air conditioning system. In this system, the constant underground temperature of the earth is utilised for heating and cooling. Energy is exchanged via a pipe loop system between the apartment and the earth.

Supply Chain Management

A priority for this coming year is the development of a Sustainable Supply Chain Management Policy to marry Stockland's commitment to Corporate Responsibility and Sustainability with our actions in selecting, influencing and interacting with our supply chain. While Stockland does not currently have the data to provide some information in relation to supply chain emissions, the development of this policy and more effective engagement with our supply chain will assist in developing this picture over the longer term.

8 **Emissions reduction**

What is your firm's current emissions reduction strategy? How much investment have you committed to its implementation, what are the costs/profits, what are your emissions reduction targets and time-frames to achieve them?

Stockland is mid process in the development and implementation of a comprehensive sustainability strategy. As part of this process, we are working towards the establishment of emissions reduction targets, actions and timeframes. We will be better placed to assess the true costs and benefits of this program as we move into implementation.

Over the past year, Stockland's Employee Corporate Responsibility and Sustainability Committee has established a set of principles to guide our approach to asset and development management across all divisions. This will lead to a consistent framework by which we will review, measure and improve our performance.

- Management

To instigate management plans, initiatives and reporting, which improve and balance the economic, environmental and social performance across all assets and projects.

- Energy

Reduce greenhouse gas emissions (energy consumption) of projects and assets.

- Water

Reduce potable water demand, minimise waste water generation and manage stormwater quality and flow.

- Waste Minimisation

Reduce construction waste going to landfill, and to minimise the emission of pollutants.

- Ecology

Encourage the minimisation of ecological impact, and to optimise ecological benefits.

- Indoor Comfort and Environment Quality

Promote and provide healthy and comfortable indoor environments.

- **Materials Selection**

Encourage the recycling and reuse of materials, the selection of materials with reduced embodied energy and the selection of materials to minimise resource depletion.

- **Transport**

Promote the utilisation of more efficient modes of transport and thereby reduce reliance on motor vehicles.

- **Community engagement and facilities provision**

Engage with stakeholders on all projects and assets.

Some specific targets have already been set:

- C&I have set a target of 8 per cent reduction, from the 2004/5 baseline, in electricity consumption by 30 June 2007, equating to a reduction of approximately 4230 tonnes of carbon dioxide emissions.
- The average rating for the C&I commercial office portfolio is 2.6. We have established a target of 3.3 to be achieved by June 2007 for the existing portfolio, and a minimum of 4.5 for new buildings.

9 **Emissions trading**

What is your firm's strategy for, and expected cost/profit from trading in the EU Emissions Trading Scheme, CDM/JI projects and other trading systems, where relevant?

At present Stockland does not participate in any emissions trading schemes, but does recognise the opportunity to generate NGACs through ABGR certified carbon dioxide emission savings. Through the current framework of ABGR rating being undertaken by the group, Stockland expects that a relatively small quantity of NGACs will be generated. Stockland is not subject to mandatory participation in a trading scheme.

10 **Energy costs**

What are the total costs of your energy consumption, e.g. fossil fuels and electric power? Please quantify the potential impact on profitability from changes in energy prices and consumption.

Stockland currently has insufficient data to report on whole of portfolio energy costs, however, through the Energy and Water Audit program, this data will be captured for future reporting.

Appendix A

Summary Table

GHG Emission Summary Table

Emission	Consumption	GHG emissions	Calculation Method
Scope 1 - Direct Emissions			
On-site gas consumption	22,071,546 MJ	1135.7	GHG Protocol Initiative (July 2005). Calculation Tool for Direct Emissions from Stationary Combustion. Version 2.0.
Vehicle Use	179,944 km	432.9	WRI/WBCSD GHG Protocol Initiative (June 2003) Mobile Combustion CO2 Emissions Calculation Tool. Version 1.2 - Emissions based on fuel use
Refrigeration & air-conditioning	Not recorded	Not calculated	
Plant and equipment	Not recorded	Not calculated	
Scope 2 - In-Direct Emissions			
Purchased electricity	145,431,150 kWh	147,160	WRI/WBCSD GHG Protocol Initiative (April 2006). Indirect CO2 Emissions from the Consumption of Purchased Electricity, Heat, and/ or Steam Calculation worksheets. V 1.1.
Scope 3 – Scope 3: Other indirect GHG emissions			
Air Travel	6,441,882 km	783.4	WRI-WBCSD GHG Protocol Initiative (June 2003) Mobile Combustion CO2 Emissions Calculation Tool. Version 1.2 - Emissions based on fuel use
Paper Use	61.6 tonnes	153.9	Australian Greenhouse Office (2005), AGO Factors and Methods Workbook. Department of the Environment and Heritage.
Waste Disposal	Not recorded	Not calculated	
TOTAL		149,666 tonnes	