

# Stockland Halcyon Blu ESG Strategy

## 1. Introduction

At Stockland, we believe there's a better way to live. Our ESG strategy is focused on the matters where we have an opportunity to lead and to meet and exceed stakeholder expectations. Underpinning the strategy are four (4) pillars and targets that focus on innovation, scale and economically sustainable solutions.



### Decarbonisation

A practical, 1.5 degree aligned\* pathway to net zero emissions

- Develop partnerships to accelerate adoption of lower-carbon materials and building methods.
- Accelerate our customers' transition to renewable energy.
- Scale our onsite-renewable energy generation.



### Circularity

Principles to make resources stay useful, longer

- Embed circularity principles throughout our portfolio and operations.
- Explore development alternatives; deconstruction over demolition, disassembly for future generation.
- Design out waste, reduce use of virgin materials and lower our embodied and operational water and carbon impacts.



### Social Impact

Enhancing our social impact by design

- Support housing affordability and pathways into a diversity of housing formats.
- Amplify our First Nations engagement focusing on employment, procurement, and connection to country outcomes.
- Purposeful investment in social impacts scaled through the CARE Foundation.



### Resilience

Adapt and regenerate for community resilience

- Strengthen climate resilience of portfolio using detailed resilience assessment.
- Enhance our approach to nature-based risks and opportunities to contribute to a nature-positive future.

**\*Note:**

- Roadmap for achieving our ESG targets and the material assumptions, uncertainties and dependencies associated with those targets, are set out in Stockland's Climate Transition Action Plan (CTAP) 2023 and Stockland's FY23 Annual Report, available on our website.
- Stockland's emissions reduction targets have been prepared by reference to criteria set out by the Science Based Targets Initiative (SBTi). The targets have been reviewed by Ernst & Young (EY), who have provided limited assurance in relation to their alignment with the published SBTi criteria. Stockland has also submitted its targets to SBTi for validation.
- We define social value creation as our intentional effort and investment to deliver social, economic and/or environmental benefits for our communities and broader society

This ESG Strategy outlines our approach to the delivery of sustainable objectives at Halcyon Blu to be delivered and others to be further explored throughout the construction of the community and in alignment with our ESG pillars.

## Purpose

The Halcyon Blu ESG Strategy:

- Will inform decision making about the community priorities, delivery methods and reporting requirements throughout the delivery of the Community.
- Provides approaches to measuring and evaluating minimum KPI objectives.
- Explores alternative approaches and innovative solutions in the community development.
- Will be adaptive and responsive as the community develops and grows.
- Considers alignment between the delivery of physical infrastructure and community development, specific to the demographic requirements (over 50s lifestyle living).

## 2. Delivery Approach


The below section outlines a practical approach, aimed at delivering Halcyon Blu in alignment with our ESG pillars. While some opportunities can be committed to as part of the upfront Plan of Development (PoD), other initiatives will primarily be achieved through working with our Builder and Contractor partners, as well as our Homeowners and Staff throughout the construction and operational phases to ensure that the targets are achieved.

The following section outlines the long-term performance targets and outlines the proposed implementation approaches to ensure these are achieved. The Strategy has been considered across the three (3) components of the masterplan being;

- **Homes** – *inclusive of all the components attributed to the design, delivery and operation of the individual homes and immediate sites they form part of (i.e. civil, services, landscaping, construction).*
- **Halcyon Community** - *inclusive of the design, delivery and operation of the common areas (i.e. roads, services, pathway links, neighbourhood nooks, etc.)*
- **Community Facilities** - *inclusive of the design, delivery and operation of the community facilities within the central spine (including sales office).*

Each component has minimum targets in accordance with the ESG pillars and will primarily respond to energy, water usage, waste, materials, transport and the living environment through the delivery phase.

### 3. BENCHMARKS

 <b>DECARBONISATION</b> Project Minimum KPIs	Homes	Halcyon Community	Community Facilities
<ul style="list-style-type: none"> <li>A baseline will be prepared using the Reference Project approach defined by the Lifecycle Assessment (LCA) method. Essentially, the LCA baseline or Reference Project will estimate how much upfront carbon would have been emitted if Stockland had developed this project in FY2021 and assuming standard FY21 specifications, by an independent party. An upfront carbon reduction Target will be established as part of the baseline assessment and will be reviewed annually to ensure ongoing achievement until project completion (final home PC issuance).</li> </ul>	X		
<ul style="list-style-type: none"> <li>Increase the weighting we give to decarbonisation in our tender assessments and encourage suppliers to suggest their own decarbonisation strategies.</li> </ul>	X	X	X
<ul style="list-style-type: none"> <li>5kW solar photovoltaic (PV) system as a standard inclusion installed to each home (subject to available roof space) and with battery options made available. Higher capacity systems available.</li> <li>100kW solar photovoltaic (PV) system installed to Clubhouse facilities. <i>Note: the above capacities are subject to Energex approvals on power load.</i></li> </ul>	X		X
<ul style="list-style-type: none"> <li>No gas commitment in the community – this means no gas appliances will be installed in the community facilities or homes.</li> </ul>	X		X
<ul style="list-style-type: none"> <li>All primary roadways and house slabs to incorporate Envirocrete (Boral) lower carbon concrete (or similar).</li> </ul>	X	X	
<ul style="list-style-type: none"> <li>Timber-frame constructed homes.</li> </ul>	X		
<ul style="list-style-type: none"> <li>Minimum 7-star Nationwide House Energy Rating Scheme (NatHERS) achieved on each home.</li> </ul>	X		
<ul style="list-style-type: none"> <li>All homes to comprise of a Hot Water System (HWS) Heat Pump.</li> </ul>	X		
<ul style="list-style-type: none"> <li>2 EV car chargers installed by project commencement with a community electric town car for homeowner use.</li> </ul>			X



## CIRCULARITY

### Project Minimum KPIs

	Homes	Halcyon Community	Community Facilities
• Minimum 1 compost bin will be provided in each 'neighbourhood nook' to service homes in the immediate vicinity.	X	X	
• Waste sorting (recycle) strategy on site to divert construction waste away from landfill.	X	X	X
• Home Builder to partner with Dulux Project Earth Initiative - a sustainability initiative which collects used paint buckets, lids and tear strips and manufactures them into recycled, Australia-made tools and products .	X		
• Landscaping design favouring low water demand plant species without irrigation.	X	X	X
• Each home will comprise a 3,000L rainwater tank and plumbed to laundry, WC and outside tap.	X		
• Promote household waste separation through provision of a 140L general waste bin and 240L recycle bin.	X		X



## SOCIAL IMPACT

### Project Minimum KPIs

	Homes	Halcyon Community	Community Facilities
• 10% product mix aimed at affordable housing with 'Laneway Living' typology providing a maximum 135sqm GFA dwelling allowance.	X		
• Liveable Housing Australia (LHA) designed homes comprising a minimum benchmark of 90% Silver and 10% Gold with a Platinum option available by request.	X		
• 'Refer a Friend Program' provides a \$1,500 to the referrer as a thank you gift, as well as a \$500 charity donation to a Stockland CARE foundation charity partner.	X		



## RESILIENCE

### Project Minimum KPIs

	Homes	Halcyon Community	Community Facilities
<ul style="list-style-type: none"> <li>Undertake a Climate Change Risk Assessment prior to construction commencement (design assessment as baseline) and on completion of final home delivery. Assets with higher risks will incorporate resilience plans into their annual business plans.</li> </ul>	X	X	X
<ul style="list-style-type: none"> <li>Develop an Evacuation Procedures document that will be reviewed annually.</li> </ul>	X	X	X
<ul style="list-style-type: none"> <li>Light coloured roofing throughout the community (in accordance with Aura's cool roof policy).</li> </ul>	X	X	X
<ul style="list-style-type: none"> <li>Light coloured pavements to all pathways.</li> </ul>	X	X	X
<ul style="list-style-type: none"> <li>All common area turf to be zoysia – low water use, slow growing and requires less mowing.</li> </ul>	X	X	X
<ul style="list-style-type: none"> <li>Design that incorporates an interconnected street network which is integrated with green space corridors ('living links') containing active transport pathways to encourage;                             <ul style="list-style-type: none"> <li>Walking and cycling to local destinations;</li> <li>Convenient access to public transport services; and</li> </ul> </li> <li>Support active transport with infrastructure including service repair station for cyclists.</li> </ul>		X	X
<ul style="list-style-type: none"> <li>Urban heat island effects will be reduced by maximising landscaping areas. An assessment will be undertaken to determine a minimum 10% total tree canopy cover in the development is provided on completion.</li> </ul>	X	X	X
<ul style="list-style-type: none"> <li>All living rooms to be orientated towards the north unless where a home is adjacent to a common green space to allow for passive solar gain into the primary living areas.</li> </ul>	X		

## 4. Monitoring and Implementation Report

It is the intention of the developer to provide an adaptive management approach, involving continual monitoring, reviewing and adopting new technologies to ensure that leading practices are applied to the project throughout delivery.

This ESG Strategy requires compliance and monitoring components to ensure the strategies and outcomes documented are delivered as planned.

In some instances, the strategies have been or will be 'hard wired' into the design (such as the provision of 'living link' greenspaces for example). In these cases, compliance will be verified through the development approval process, where development will be required in line with the approved plans.

For other items, ongoing review will be required. It is proposed that this be addressed every year from commencement of site works, until conclusion of the Halcyon Blu project.

Stockland will provide an annual report, outlining the works underway and works completed to date along with independent certification where applicable of the works completed to demonstrate compliance to the strategies outlined in sections 3.

Reporting will measure progress against each of the strategies identified for Halcyon Blu, including significant achievements, any issues encountered and how these have been or will be mitigated or overcome, as well as any further opportunities for improvement.