

Company:	Stockland
Sector:	Real Estate
Report Year:	2013
Headquarters:	Australia
Standard Application:	GRI G4 Comprehensive, AA1000, IIRC
Format:	Listing

In FY13 we continued our involvement in the Business Pilot Program for integrated reporting, led by the International Integrated Reporting Committee (IIRC). This Annual Review 2013 is our second report that seeks to integrate reporting on the management of our financial, social and environmental performance.

For Stockland integrated reporting is a journey toward more meaningful corporate reporting and will be a process of continuous improvement, one that will provide great benefit to both the organisation and our stakeholders. We look forward to further developing our approach and the quality of our integrated report disclosure over the coming years.

The aim of our integrated approach is to inform investors and other stakeholders on how our business' performance, strategy, governance, and prospects lead to the creation of value over the short, medium and long term. It is also to provide a concise document including material matters that may be of interest to our stakeholders.

#### Materiality

The International Integrated Reporting Council defines a matter as material if 'in the view of senior management and those charged with governance, it is of such relevance and importance that it could substantially influence the assessment of the primary intended report users with regard to the organisation's ability to create value over the short, medium and long term'.

Below we set out our material matters identified this year and where they are discussed in the Annual Review:

1. Strategy and execution – Ensuring investors and key stakeholders understand and support our revised strategy over short to long term (Refer to Letter from the Chairman and Managing Director and About Stockland).

2. Governance and leadership – Ensuring we have the right governance structure and processes in place to support new leadership and maintain investor and key stakeholder confidence (Refer to Governance and Remuneration).
3. Financial strength – Maintaining our financial strength in the short term but also investing for the future and balancing customer expectations (Refer to Capital Management).
4. Systems and processes – Ensuring we have the right systems and process in place to take advantage of opportunities, adapting to changing marketplace and optimising our operations (Refer to Operational Efficiency and Customer Satisfaction).
5. Changing consumer behaviour – Understanding and responding to changes in customer behaviour (Refer to Customer Satisfaction and Sustainable Development).
6. Managing natural capital – Our ability to preserve and manage natural capital through our operations and development (Refer to Sustainable Development).
7. Changing regulation – Our ability to adapt to a changing regulatory environment (Refer to About Stockland).
8. Employee engagement – Managing engagement and productivity through organisational restructures and leadership change (Refer to Engaged and Productive Workplace).
9. Legacy of our projects – Ensuring the creation of desirable, resilient and sustainable communities and places (Refer to Sustainable Development).

This is the first year Stockland has tested this definition. Our materiality process was as follows.

Identify	Prioritise	Align/Disclose
<p><b>Research and engagement</b></p> <p>Research and extensive stakeholder engagement was undertaken to ascertain relevant matters identified through items such as:</p> <ul style="list-style-type: none"> <li>• Investor research and engagement</li> <li>• Customer feedback and trends</li> <li>• Employee surveys</li> <li>• Political and regulatory developments</li> <li>• Social and mainstream media</li> <li>• Strategic and operational risk assessments</li> </ul> <p>The resultant list of matters served as a starting point for our Materiality Workshop.</p>	<p><b>Workshop</b></p> <p>A 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 creation over time.</p> <p>Material matters were mapped in terms of their potential impact on value creation over time.</p> <p>The attendees then engaged directly with key stakeholders from the investment community to challenge integrated and long-term thinking before confirming a final list of material matters.</p>	<p><b>Alignment and disclosure</b></p> <p>Following the Materiality Workshop, the final list of material matters was presented to our internal Integrated Reporting Committee.</p> <p>Once confirmed, the matters were submitted to the Executive Committee and the Board for review.</p> <p>An alignment check is also performed, with our final sustainability material issues disclosed in detail on our website.</p>