

# Sustainability Report

## Introduction

Investa Property Group's sustainability platform was formally established during the year with the formation of the Sustainability Committee of the Board. Members of the Committee comprise three Directors, including Shaun Mays as Chairman.

The purpose of this report is to provide stakeholders with an insight to the business practices currently being undertaken by Investa Property Group which contribute to enhancing shareholder value. These initiatives and the approach demonstrate Investa's commitment to operational efficiencies, innovation and risk management.

A Charter for the Sustainability Committee has been established from which its main responsibilities include:

- overseeing the application of the Sustainability Policy;
- encouraging integration of sustainability practices and performance targets;
- overseeing the operation of the Environmental Management System; and
- monitoring and reporting on the performance of initiatives undertaken.

## Guiding Principles

The key philosophy supporting the Group's engagement in sustainability practices is that it makes good business sense. By formally considering social and environmental trends and their prospective implications for the manner in which we conduct business, we believe Investa is better placed to identify and capitalise on opportunities to enhance shareholder value.

Increasingly, companies and individuals are paying higher regard to sustainability considerations in purchasing services in the ordinary course of their business. In so doing, organisations are aligning their activities with like minded organisations that are able to demonstrate environmental and social accountability in the manner in which they conduct business. Over time, we believe this will create further opportunities for the Group across its various fields of operation.

### **Established Credentials**

Investa Property Group has established market leading credentials in its commitment to Sustainability. It is nominated as a leader among Australian Real Estate Investment Trusts for the second year running by, international sustainability, research and investment company SAM Sustainable Asset Management. It was also a finalist in the coveted Banksia Awards, in the category "Leadership in Socially Responsible Investment."

As a foundation member of the Green Building Council of Australia, Investa Property Group is working with the industry in its commitment to a coordinated approach to sustainability in the property investment industry.

### **Current Activities**

The position of the Group's sustainability platform has advanced significantly during the year. A framework has been established to guide its ongoing development and a raft of initiatives put in place including those to benchmark the results of those activities.

## Environmental Management

Increasing the efficiency of resource utilisation has, and continues to be, a clear point of focus for organisations. Public awareness of water supply constraints, emissions levels and landfill considerations continue to increase, all of which are particularly relevant to investment property.

A range of systems have been introduced across the Investment Portfolio where measurement systems are available with the objective of improving environmental performance. At present, monitoring systems are in place in respect to the management of an energy consumption of 57,000 megawatt hours per annum, water use of 315,000 kilolitres and a 20,000 cubic metre waste stream. In this regard, reduction targets have been established for the 2004 financial year as follows:

### 2004 Reduction Targets

Electricity consumption reduced by	7%
Water consumption reduced by	15%
Waste to Landfill reduced by	15%

As a consequence, greenhouse emissions will be reduced and the average Australian Building Greenhouse Rating of the Investment Portfolio is targeted to increase to 3.0 stars, over the coming 2 years.

An Environmental Management System (EMS) has been established to provide a structured and comprehensive approach for the management of environmental obligations across the organisation. The objective of the system is to identify environmental issues related to each business unit and provide sustainable mitigation processes to manage the associated risk. While not formally certified, the EMS has been modelled on the international standard for Environmental Management Systems ISO 14001 and around our current business.

### Social

With a particular focus on providing safe workplaces to staff, tenants, visitors and contractors to our buildings, Investa has put in place a comprehensive occupational health and safety programme for the management of all of the properties it has under management.

In New South Wales and Victoria, this programme was reviewed by the National Safety Council of Australia (NSCA) and achieved a 5 star rating.

With the expansion of activities, the number of people employed by Investa has grown. The core values of the Group have now been formalised, supporting the Group's existing Code of Conduct, and providing employees clear guidance as to the manner with which they are expected to conduct themselves. Having a clear set of cultural values supports the delivery of an empowered and innovative approach to doing business.

Recognising our responsibilities to the wider community, Investa is a Platinum Sponsor of the Property Industry Foundation, an organisation focussed on supporting youth based programmes. Consideration is also given to community engagement in local areas to our residential development activities. Supporting such community based programmes contributes to the social fabric of new communities.

### Looking forward

Working in conjunction with Arup Sustainability, a review has been undertaken of Investa's sustainability platform. This review highlighted the strengths of operational management in enhancing the effectiveness of resource use and risk management. Arup Sustainability reported that Investa's sustainability performance demonstrates leadership in the sector.

The review also noted a number of opportunities upon which the Group could focus to further enhance its performance. Those areas included:

- more effective stakeholder engagement;
- enhancing induction procedures for new employees to reinforce stated cultural values of the Group;
- documenting and reporting against the results of sustainability initiatives undertaken; and
- completion of the rollout of the EMS across all areas of the business.

The Group has commenced work on addressing these issues and will report further on the outcomes in 2004. The process of integrating and enhancing sustainability performance is an iterative one. Its purpose is to deliver good business practice with the objective of enhancing shareholder value.