

Sustainability Covenant

SUSTAINABILITY COVENANT

December 2004

Between Environment Protection Authority
and Lend Lease Property Management Australia Pty Ltd

This voluntary SUSTAINABILITY COVENANT is a statutory agreement under section 49AA of the *Environment Protection Act 1970* made on the day of 2 December 2004.

Between:

Environment Protection Authority ('EPA') of 40 City Road, Southbank in the State of Victoria

-and-

Lend Lease Property Management Australia Proprietary Limited (LLPMA)

ABN 61 002 894 153 ('Lend Lease') of Level 4, 30 The Bond, 30 Hickson Road, Millers Point NSW 2000.

In which:

Lend Lease undertakes to develop a strategic approach to sustainability issues and to implement actions to support comprehensive cultural change so that all of its business is conducted within the

context of sustainability, in particular sustainable investment (SI). Lend Lease defines Sustainable Investment as 'the use or application of resources which respects the need of current generations to increase their natural, social and economic wealth and which seeks to maximise the ability of future generations to enjoy the same growth and development resources and wealth'.

The aim of this Covenant is to stimulate change in order to ensure that SI principles¹ can be consistently applied to each of the LLPMA business value chain divisions, including those of development and property operations (including property management, leasing, marketing and centre management). In line with this aim, a key objective of this covenant is to jointly increase both the understanding and management capability of EPA and Lend Lease in relation to sustainability and SI issues as they apply to retail asset development, management and ownership.

¹ Refer to Lend Lease Retail Sustainable Investment Policy



because this is our home



EPA is of the opinion that this sustainability covenant is likely to be effective in:

- increasing resource use efficiency, as well as reducing the ecological impacts associated with retail properties
- building capacity amongst Lend Lease stakeholders, including retail customers, retailers and other sector participants, to deal with the issue of sustainability.

and as such is a signatory to this covenant.

The retail property sector and sustainability

The capital value of retail property assets in Australia is estimated to be in the order of \$44 billion², with over 50 per cent of Australians owning these assets through their superannuation funds. This sector plays an important role in the economy, accounting for 2.7 per cent of GDP³ and approximately 5.5 per cent⁴ of total employment, and, with two billion customer visits each year, it is one of the most visible of all the sectors of the Australian economy. New South Wales and Victoria together account for over 57%⁵ of total retail activity (32.3% and 25.4% respectively), with Queensland at 19.8% and Western Australia 10.2% and other States and Territories accounting for the balance.

The sector has significant direct and indirect environmental and socioeconomic impacts and benefits, both associated with the inputs into the built assets themselves and with the activities of its retailer tenants. Direct impacts include energy and water used in operating retail centres, wastes

(including solids), stormwater and greenhouse emissions (from energy and transport). Indirect impacts include the resource intensity of the built form (and its generally short life cycle⁶) and the products and services traded within the centres themselves.

In recent years significant effort has been focused on the residential and commercial building sectors to improve the sustainability performance of these sectors. These efforts have resulted in a range of statutory measures, tools and planning instruments to assist stakeholders improve their performance. The retail sector has remained largely untouched by these efforts and yet has one of the largest greenhouse emission footprints⁷ of all property asset groups outside residential and government buildings.

Estimates of the ecological footprint of various building types within the property sector suggests that retail sector impacts could be up to three times as significant as residential (on a per-square metre basis)⁸. This is mainly due to the relatively short life cycle of retail tenancy fitouts, the impact of consumer products and their associated wastes that flow through centres and the operating hours of retail outlets, which require areas within a retail centre to be serviced at times of very low occupancy. Initial research suggests that there is scope for

⁶ On average retail shopping centres undergo significant re-mix or addition every seven years.

⁷ *Australian Commercial Building Sector Greenhouse Emissions 1990–2010* (AGO 2000). The ecological (eco-)footprint is a measure of the productive land and water required to produce all the resources consumed and to assimilate all the waste produced by a particular population.

⁸ Lend Lease research in conjunction with EPA and ecological footprint calculators 2004 (finding approximately 533m² footprint per m² of gross floor area (GFA) for residential and 1650m² for retail).

² Shopping Centre Council, May 2000

³ Australian Bureau of Statistics, June 2003

⁴ Shopping Centre Council, May 2000

⁵ ABS Census data, 2002

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reducing ecological footprints across most aspects of retail design and operations.

1. About the parties

Lend Lease

Lend Lease Corporation is comprised of two distinct divisions, Real Estate Investments (REI) and Real Estate Services (RES). REI is the real estate and funds management arm and RES is the construction, project management and urban development part of the business.

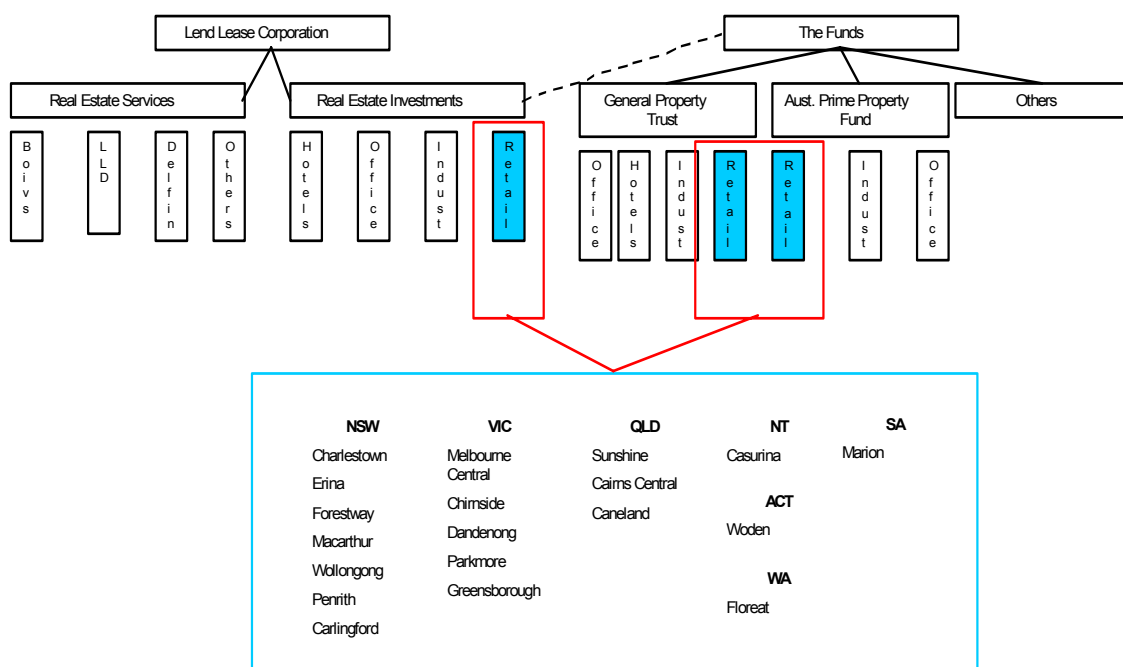
REI is further divided into business units, which handle the various asset classes, including hotel, office, industrial and retail. Lend Lease Property Management Australia Pty Ltd is the business unit that manages retail assets on behalf of 'the Funds', which comprise, among others, General Property Trust (GPT) and Australian Prime Property Fund (APPF). It is responsible for all strategic direction setting, including redevelopment, day-to-day property operations management, implementing the

acquisition and sale of properties, accessing funding and unit-holder services.

The scope of this covenant is limited to Lend Lease in its management of the retail centres on behalf of various owners as trustees of certain trusts.

Lend Lease's vision is to develop socially responsible retail real estate delivering sustainable returns beyond its stakeholders' expectations. In doing so, Lend Lease will foster a culture among its employees and internal stakeholders so that all its business can be conducted in the context of sustainable investment.

Lend Lease operates as the retail property and development manager on behalf of various owners ('the Funds') of eighteen retail sites across Australia, accounting for approximately 950,000 m² of gross lettable space and an asset value in excess of A\$5 billion. Together the assets represent about 15 per cent of the national total of retail space (in gross floor area) and about 17 per cent in total asset value.



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The Victorian shopping centres are:

- Chirnside Park, Maroondah Highway, Chirnside
- Dandenong Plaza, 25–55 McRae Street, Dandenong
- Greensborough Plaza, Main Street, Greensborough
- Melbourne Central, 211 La Trobe Street, Melbourne
- Parkmore Shopping Centre, Cheltenham Road, Keysborough.

Lend Lease has always recognised the importance that large retail centres play in the communities in which they are located and its management philosophy has always included community development and engagement. In recent years, Lend Lease’s awareness of the interconnectedness of social, environmental and economic issues has increased. Lend Lease initiatives that have integrated all three of these aspects have confirmed to the company the value of integrating environmental, as well as economic and social, considerations across the business. Appendix A provides two examples of Lend Lease’s approach to the management of social, environmental and economic initiatives. The first is Macarthur Square, which was proposed to commence in October 2004, and the other is Erina Fair, which was completed in November 2003.

Environment Protection Authority

For over thirty years EPA Victoria has worked to protect the Victorian environment. As Victoria’s independent environmental authority, EPA has established environmental benchmarks, reported on

progress and alerted the community when environmental quality is threatened.

In doing so, EPA has established an international reputation as a leader in environment protection and gathered many sources of intelligence at home and abroad to assist in identifying emerging environmental trends and issues and developing effective strategies to address these. EPA also works successfully alongside industry and the community to achieve its aims, involving and empowering individuals, communities and businesses, encouraging them to take shared responsibility and action.

EPA operates having regard to the principles of environment protection identified in the *Environment Protection Act 1970*. These principles integrate sustainable economic growth objectives with social development and environmental stewardship. In particular, these principles reflect the integration of triple-bottom-line approaches into EPA’s decision making.

EPA recognises that the magnitude of improvement that can be achieved through a holistic approach to environmental management is far greater than can be achieved through sole reliance on traditional, point-source management of environmental impacts. As such, EPA is committed to pursuing sustainability covenants as a means to help Victoria move forward towards its sustainability goals. A sustainability covenant empowers Lend Lease to drive and shape its own sustainability agenda in a public forum. It also enables EPA to recognise under statute Lend Lease’s environmental and sustainability leadership.

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2. Aims of the covenant

This sustainability covenant is entered into between Lend Lease and EPA to:

- provide support and guidance to Lend Lease to implement actions that support the objectives stated in the section 'Commitments, Action and Goals', which will enable Lend Lease to embed sustainability practices into all of its business activities consistent with the vision outlined above in this document
- encourage further uptake of corporate social responsibility in the wholesale and listed property trust market through support of 'the Funds' in undertaking transparent sustainability reporting and broader stakeholder consultation
- through Lend Lease's service provision to 'the Funds', support management and systems capacity building and raising of awareness of the benefits arising from the development of best sustainability practices and products
- provide statutory recognition to the leadership Lend Lease is displaying through the redevelopment and ongoing management of the retail shopping centres owned by the various funds.

3. Life of the covenant

The parties have agreed that this sustainability covenant will operate for a period of 12 months from the date of this agreement. During the life of the covenant the parties commit to a quarterly formal review and year-end report on the anniversary of the Covenant.

4. Management of the covenant

The following framework for decision making and management of the covenant has been agreed between the parties.

A steering committee comprising representatives of Lend Lease and EPA Victoria will be responsible for managing the overarching performance of the parties under this agreement.

From Lend Lease's perspective, day-to-day management of the activities and objectives set out herein would be undertaken by relevant individuals in the various business units comprising the development and operations management teams. Coordination and management of this agreement and the SI agenda will be by the Sustainable Investment Catalyst (SIC). The collection and compilation of data and reporting will be by the SIC and reported to the main steering committee on a quarterly basis.

EPA is responsible for the commitments made by EPA in this agreement.

Lend Lease is responsible for the commitments made by Lend Lease in this agreement.

EPA reserves the right to withdraw from this sustainability covenant if, in the opinion of EPA, the covenant is no longer effective in increasing the resource use efficiency or reducing the ecological impact of Lend Lease.

This covenant is entirely voluntary and, despite any commitment given in this covenant, Lend Lease can withdraw at any time upon giving notice to the EPA, without giving rise to an action or claim for damages, reimbursement of expenses or compensation whatsoever.

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In the event that a termination clause looks likely to be activated, both parties agree to instigate discussions about why this might have to occur.

5. Stakeholder and community involvement

It is envisaged that the adoption of an integrated framework through the Sustainability Covenant will provide an opportunity for increased stakeholder engagement and involvement, and provide a basis on which the benefits of these relationships can be enhanced over time. Stakeholders in this context include the community; retail customers; authorities and Government; retail tenants; investors; employees; alliance partners and suppliers; and Lend Lease.

Community stakeholders are considered to be those groups who reside in each retail centre's local area and can be either users or non-users of Lend Lease shopping centres. Lend Lease hopes to provide positive leadership and contributions that support outcomes for each community that are healthy and positive over the long term.

Consultation is essential with these groups to ensure Lend Lease keeps abreast of issues that the community sees and believes to be relevant and responds to these as necessary.

Retail customers are those who regularly interact with and use Lend Lease's shopping centres. Lend Lease's aim is to build awareness to enable customers to act more sustainably and make more sustainable consumption choices in their day-to-day activities. Building a strong and lasting propensity to use its assets enables Lend Lease to contribute to the ongoing development and management of sustainability objectives.

Authorities and governments include local, regional and national-level government organisations. Lend

Lease aims to provide leadership and support to these groups to enable them to achieve their long-term goals in the area of sustainable communities and economy. Lend Lease hopes to gain a clearer appreciation of their drivers and constraints, thereby enabling Lend Lease to act more proactively than has traditionally been the case.

Retail tenants are those who lease space within the assets, including all staff and employees of those businesses.

Lend Lease aims to build capacity to enable retailers' business management and interactions with Lend Lease to be in a manner consistent with the asset's sustainable investment principles and objectives. Lend Lease aims to create stronger relationships through this shared vision and provide a means by which input and suggestions from retailers can be regularly integrated into sustainability decision making.

Investors are the unit holders that own units in the Funds. The Funds then provide the capital to own and manage the retail assets. Lend Lease's aim is to ensure that it provides high-quality assets that are sustainable over the long term, reduce risks and provide an attractive, responsible investment choice. Lend Lease aims to gain insights into what is driving the market for responsible investment choice and ensure that Lend Lease is meeting those needs.

Employees are those who work for LLPMA and more broadly within the Lend Lease group. Lend Lease hopes that this covenant will provide inspiration and motivation to employees and empower them to identify ways to contribute to reducing its ecological impacts and maximising benefits.

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Alliance partners are all the organisations within Lend Lease’s supply chain, including its retailers. Lend Lease’s aim is to build capacity to enable these groups to manage their businesses and interactions with Lend Lease in a manner consistent with Lend Lease’s sustainable investment principles and objectives. Lend Lease hopes that its alliance partners will provide insights and suggestions on ways to work together to optimise outcomes on all sides.

Lend Lease Corporation is defined as Lend Lease’s parent company and its associated divisions. Lend Lease hopes to provide leadership to the business and to participate in a collaborative manner to build capacity in all parts of Lend Lease Corporation in relation to sustainable investment.

6. Commitments, Actions and Goals

Lend Lease and EPA make a series of commitments under this covenant that are expressed below with a relevant performance target, which is sought from this agreement. Examples of possible actions and strategies that may be undertaken to achieve these commitments can be found in the table below. The overall goals of this covenant are to support Lend Lease in achieving its vision of developing socially responsible assets and build a culture that enables all parts of Lend Lease’s business to act consistently with its sustainable investment objectives.

Commitment	Possible Actions & Strategies	Goals
<ul style="list-style-type: none"> Implement a strategic framework to enhance long-term management of sustainable investment in Lend Lease, including mechanisms for monitoring and eventual public reporting of the SI-related activities of the Funds in a public format. 	<ul style="list-style-type: none"> Collect data internally to establish Global Reporting Initiative (GRI) baseline performance. Develop incremental key performance indicators (KPIs) for incorporation into management requirements for the various parts of the business. 	<ul style="list-style-type: none"> By the end of 2005 have a completed baseline data set for a relevant year for the whole portfolio. For year 2004–05 target a small number of KPIs into business plans for the centres or for managers.

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	<ul style="list-style-type: none"> Investigate the GRI as a suitable guiding framework for sustainability reporting. Investigate the capacity of existing management and internal reporting mechanisms to incorporate the additional requirements of the GRI. 	<ul style="list-style-type: none"> By December 2004 have a strategy and policy formulated for which agreement is achieved on the commencement of sustainability reporting.
<ul style="list-style-type: none"> Build internal capacity within Lend Lease business units in the area of sustainable investment. 	<ul style="list-style-type: none"> Develop training sessions and run these with various groups including, for example, retail design managers, leasing or property operations. Work closely with Lend Lease business units to support the ways they are integrating sustainability initiatives into their business areas, supporting the concept of learning by doing (for example, Victorian marketing team with 'Greening the Community' program). Document case studies and sustainable investment learning outcomes and 'roadshow' these to various stakeholders. Develop standard documents such as briefs and operations manuals that incorporate sustainability principles to assist in achieving desired outcomes. 	<ul style="list-style-type: none"> By the end of 2004 run at least one sustainability training session or workshop with each business unit. Achieve a number of leading examples of 'sustainability in action' for publication by the end of 2004. (An example of this is the use of the LL intranet ('The Hive') as a vehicle for communication of articles such as 'What a Load of Rubbish'. Refer to Appendix B for examples.) Have a range of standard documents completed and stored in knowledge-transfer vehicles such as 'I-know' by end of 2004.

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<ul style="list-style-type: none"> • Develop uniform SI communication templates and tools for sustainable investment for Lend Lease's various stakeholder groups. 	<ul style="list-style-type: none"> • Consult with various stakeholder groups on their needs for regular communication with Lend Lease. • Develop 'templates' for use in a range of media. • Develop the 'Lend Lease Shopping' website to include information on sustainability and sustainable investment. • Forward plan a schedule of information communiqués on a three-monthly basis (documenting how Lend Lease has implemented strategies to respond to the SI goals and objectives. An example of this could include its national approach to waste reduction). 	<ul style="list-style-type: none"> • Complete consultation and establish means for ongoing dialogue with stakeholder groups by end of 2004. • Aim to update 'Lend Lease Shopping' website for sustainable investment by end of 2004. <p>By end of 2004 have at least four public publications and at least ten internal publications completed.</p>
<ul style="list-style-type: none"> • Collaborate with retailer tenants to trial and develop sustainability measurement tools for their businesses. Investigate the potential for a retailer engagement program to publicly reward the efforts of retailers in the area of sustainable business operations. 	<ul style="list-style-type: none"> • Undertake life-cycle modelling in conjunction with a selection of retailers and other partners to determine potential initiatives that can provide maximum sustainability benefits. Work with EPA to incorporate the use of the eco-footprint calculator in this modelling. • Undertake consultation with retailers to assess needs and likely demand/interest in participating in such a scheme. 	<ul style="list-style-type: none"> • By January 2005, have a retailer recognition/ engagement scheme ready for use in retail centres with a target of 50% participation rate by retailers.

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<ul style="list-style-type: none"> • Trial the use of embedded⁹ technology in either new or existing assets. 	<ul style="list-style-type: none"> • Undertake internal consultation to understand how such a system could be established and managed to ensure its long-term viability and relevance for stakeholders. • Undertake an assessment of the range of embedded-energy, water and waste technologies (examples of which include vertical composting technology; sewer mining; and solar panels) appropriate for use in retail centres and seek partnership positions to establish pilot projects. • In conjunction with EPA, identify potential partners and funding sources, and assist with feasibility. 	<ul style="list-style-type: none"> • Have at least two pilot projects assessed by the end of 2004. • Document the feasibility of the pilot projects for communication to a range of stakeholders.
<ul style="list-style-type: none"> • Develop 'eco-leasing' suites for all new developments and consider whether centre management offices could be retrofitted as eco-leasing suites. 	<ul style="list-style-type: none"> • Develop specifications for what would be included in an 'eco-leasing' suite and collaborate with project teams on the design of these. • Seek participation from suppliers and other stakeholders for inclusion of appropriate design features, materials and life-cycle information. 	<ul style="list-style-type: none"> • Have at least one eco-leasing suite operating by end of 2004.

⁹ Embedded technology is generally considered to be that which facilitates production and reuse of resources within a site and which reduces the site's reliance on traditional infrastructure for the supply of those resources (for example, building integrated solar cells that generate electricity for on-site use).

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<ul style="list-style-type: none"> • Achieve socially responsible investment acknowledgement in the financial community for 'the Funds'. 	<ul style="list-style-type: none"> • Ensure that the Lend Lease leasing, retail design and development teams are familiar with the eco-leasing installations to better communicate with retailers and other stakeholders. • In collaboration with EPA, hold communications forums with the funds and investor community to ascertain what they would like to see being done by Lend Lease in the sustainability area. 	
		<ul style="list-style-type: none"> • Public acknowledgement of this by January 2005.

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7. EPA makes the Following Commitments

In partnering Lend Lease in this sustainability covenant, EPA will undertake a number of commitments. The commitments and examples of some of the actions that EPA may undertake to achieve these commitments are outlined in the table below.

Commitments	Proposed methods of providing support and input
<p>Provide support to Lend Lease and other parts of the listed property trust sector in relation to sustainable investment and ecologically sustainable development capacity building.</p>	<ul style="list-style-type: none"> • Contribute expertise and knowledge of industry activities and benchmarks including review and advice to support the appropriate development of the Lend Lease strategic direction. • Provide facilitation support where required in relation to the development of specific initiatives in consultation with various stakeholder groups. • Provide assistance with the development and implementation of education programs for Lend Lease retail tenants, staff and other stakeholders. • Assist in the development of a knowledge transfer program both within Lend Lease and across the property trust sector generally. • Assist in the design of a recognition program for stakeholders (for example, tenants and staff). • Work with Lend Lease to develop an ecological footprint calculator for retailers. • Attend Lend Lease Sustainable Investment Project Control Group meetings. • Contribute to identification of important environmental priorities with respect to Lend Lease’s ongoing operations.
<p>Increase awareness within Government and other organisations of the leadership that Lend Lease is showing in the sustainability area.</p>	<ul style="list-style-type: none"> • Facilitate discussions/information sessions with other government departments and relevant organisations and Lend Lease stakeholders about sustainability. This could include facilitating discussions with organisations such as SEAV, EcoRecycle Victoria, infrastructure providers and utilities or assisting with dialogue for industry standards development. For example, considering how to include environmental considerations into guidelines published by the Nursing Mothers Association or best-practice fitout guidelines.

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<p>Publicise the leadership that Lend Lease and the Funds demonstrate and reinforce the positive benefits of becoming a signatory to a sustainability covenant.</p>	<ul style="list-style-type: none">• Ensure up-to-date and relevant information about sustainability covenants is available on the EPA website.• Be a readily accessible resource for sustainability information.• Provide information over time about sustainability covenants in the public domain. This may be done jointly with Lend Lease.• Publicise with the assistance of Lend Lease the concept of sustainability covenants in retail and other industry forums and publications.• Facilitate discussion and sharing of information with other sustainability covenant signatories.
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8. Review

A steering committee will meet on a quarterly basis to look at the progress of the commitments of both parties.

At the end of the year, EPA and Lend Lease will jointly assess progress of the commitments, identifying where attention needs to be focused and whether new sustainability developments should be considered. A report would incorporate detail from the year's activities with recommendations made for continuation of the covenant, if appropriate.

In assessing progress against the commitments under this sustainability covenant, the parties agree to develop reporting mechanisms to enable performance measurement against a set of baseline data.

9. Reporting

The parties will:

- conduct a joint working session with EPA and Lend Lease executive members and staff to review and agree the benefits both

parties have gained from participating in the covenant

- prepare a report containing a short summary of what has been achieved by both parties through the covenant. The paper would discuss the outcomes of this sustainability covenant, the possibilities for Lend Lease's future contribution to increasing resource efficiency and reducing its ecological and social impacts and the potential for take-up of similar initiatives by the retail property industry.

In addition, as its reporting capacity and knowledge increases throughout the life of this covenant, Lend Lease, via GPT and APPF, will report internally and externally on the progress of the agreements made.

A summary of outcomes from steering committee meetings, in addition to the report at the end of the year, will be made publicly available.

10. Other Information

In accordance with section 49AC(c) of the Act, the parties authorise the copying of all or any part of the covenant by any person who wishes to do so. The parties also authorise the use of any copies made by the person.

Contact details

EPA Victoria

Contact: Manager, Strategic Co-Ordination

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Lend Lease

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<http://www.lendlease.com>

<http://www.lendleaseshopping.com>

Appendix A – Project examples from Lend Lease

1. Macarthur Square



Development proposition

Macarthur Square is located in Campbelltown, south-west of Sydney, has a long association with the community and will continue to be a focal point within the region as it continues to evolve to meet the rapidly changing needs of the area. The centre's current gross lettable area (GLA) of 60,000 m² is about to be expanded with an additional 30,000 m². Consistent with our SI strategy, the redevelopment proposes to have a range of environmental and social initiatives embedded, some of which are outlined below.



Social outcomes

- An interactive, hands-on discovery centre is proposed to inspire our community of stakeholders to become involved in the stories of ecology and society. In the process this will build awareness of sustainability issues whilst enabling groups and individuals to take actions that could deliver more sustainable outcomes in their day-to-day activities. This includes the Australian Museum schools program.
- Potential for the old cinema box to be used as a community facility for events, programs and activities.
- Retailers engagement program to be developed to enable retailers to participate in environmental and community issues and be recognised for it.



Environmental outcomes

- Develop an innovative green waste program with local stakeholders to extend the new waste management strategy that is designed to deliver a 40 per cent reduction in waste to landfill.

- Energy conservation measures to be initiated that will reduce the energy intensity of the new section by 20–30%, including natural ventilation strategies to reduce energy use and advanced lighting systems.
- Water conservation measures to be initiated, which will reduce the consumption of the site by at least 30 per cent, including smart metering and food tenancy measures.
- Investigation of innovative technologies for energy such as solar collectors for water and electricity and large-scale rainwater collection or grey-water recycling.

Economic outcomes

- Operating-cost reductions associated with the resource efficiency increases.
- Community development programs to include a focus on young people.
- Potential for local business development around waste management and landscaping in partnership with local groups and businesses.
- Around 1000 additional retail jobs created through the expansion.

2. Erina Central Coast Fair



Development proposition

Located on the NSW Central Coast near Gosford, Erina Fair is situated in one of the fastest growing regions in Australia and is one of Australia's most productive large retail centres. The Centre's innovative campus style includes over 300 specialty shops, bulk retail, lifestyle and restaurant precincts, a substantial Town Square precinct and an eight-screen cinema complex over 106,000 m² in GLA. A major expansion was completed in November 2003 with the goal of delivering a retail offer that reflects the central coast lifestyle and community aspirations. Lend Lease's sustainable investment agenda developed to deliver a broad range of outcomes detailed below.



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Social outcomes

- Embedded community facilities including library, community hall, youth centre, exhibition space, health centre, comprising a benchmark 10 per cent of GLA.
- A range of non-spend leisure options including 'the Hive', community meeting place and town square.
- A range of community programs run out of the community hall and managed by Council.
- Over-55s club with in excess of 15,000 members. Community bus servicing elderly and disabled on the site.



Environmental outcomes

- Design vernacular reflecting the coastal lifestyle with particular emphasis on the use of recycled and renewable public-area finishes.
- A passive ventilation space conditioning system for food court modelled on Roman catacomb theory, saving enough energy to run five homes each year.

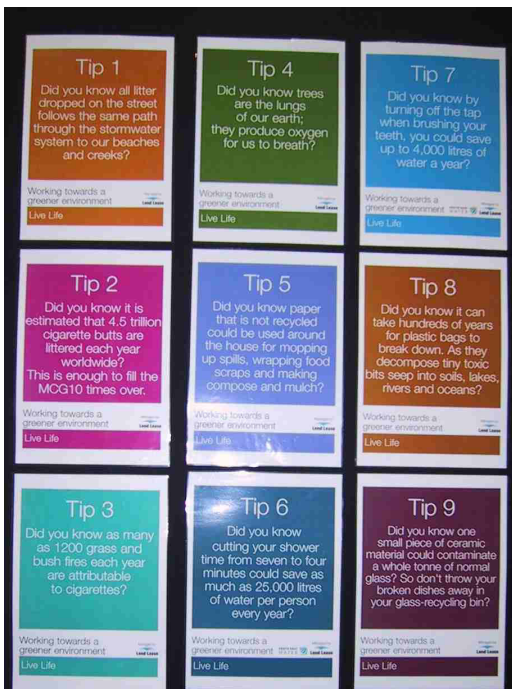
- Roof and skylights specifically designed to maximise daylight and minimise solar loads, resulting in energy savings equivalent to eight homes each year.
- Local ecological and cultural heritage embedded into building design artwork as community storybook. Local school children participated in creating handprint tiles.

Economic outcomes

- Over 1100 additional retail jobs taking total local retail employment contribution to more than 14 per cent.
- Total economic activity generated by the centre in the local community in excess of \$670 million per annum.
- Value of community assets in excess of \$25 million with annual program value of approximately \$100,000.
- Target year 1 yield in excess of 8.5 per cent.

Appendix B – Sustainability In Action messages from Lend Lease

1. People, Place, Prosperity – Greening the community



The centres have established a number of partnerships with organisations such as South East Water, EcoRecycle, Planet Ark and EPA Victoria.

One example of the positive outcomes of these partnerships concerns South East Water, which has assisted with a water audit that resulted in all food retailers voluntarily installing water-saving devices on all taps.

Part of the project is a 12-month marketing calendar incorporating activities such as an environment drawing competition and ‘eco-dockets’ dollars for local schools. Jaclyn Tucker, marketing manager of Parkmore Shopping Centre, says there has been an excellent response from retailers, customers and community partners.

This is an example of our sustainable investment strategy at work.

Respect for the local environment and community has resulted in the innovative ‘Greener Environment Project’, which is a collaboration between Lend Lease-managed shopping centres in Victoria and a range of partners aiming to ‘green’ building operations and build community awareness of environment issues. Centre management staff believe that demonstrating excellence will strengthen the integrity of the project.

The Greener Environment Project aims to improve the environmental sustainability of Lend Lease’s operations and encourage the community to act in a more environmentally friendly way.

2. What a Load of Rubbish!

Lend Lease managed shopping centres send more than 15,000 tonnes of waste to landfill each year – roughly equal to the amount of waste produced by 14,000 homes.

However, in the last financial year, Lend Lease retail group's sustainable investment philosophy saw A\$46,000, including A\$23,000 from Resource NSW, spent on a national waste strategy.

And the results are already evident.

At Carlingford Court shopping centre in Sydney, waste to landfill has been reduced by more than 30 per cent, cardboard recycling has doubled, and all green waste – around 10 tonnes per month – is being reprocessed into animal feed.

In addition to the environmental benefits, the strategy has resulted in significant cost savings. For example, Carlingford Court saved around A\$15,000 in tip fees in the first three months alone. Similarly, the scheme is delivering a cost saving of around A\$35,000 per annum for Dandenong Plaza shopping centre in Melbourne.

Mark Baldwin, national property operations manager of Lend Lease's retail group and creator of the waste-saving initiative, is impressed by the level of support demonstrated not only by the centre teams, but also retailers.

'We've cleaned up the loading docks, installed new equipment, and made our centres safer – and as a result, there's great pride in our facilities and our efforts,' he said.