



A GUIDE TO CORPORATE RESPONSIBILITY REPORTING IN THE PROPERTY SECTOR

This voluntary guide provides a basic template that will help property professionals customise their corporate responsibility reports.

DRAFT DISCUSSION PAPER V1.0
JUNE 2009



The ***Voice*** of Leadership

CONTENTS

Setting the Scene	...3
Corporate Responsibility & Sustainability	...4
International Reporting Standards	...5
Materiality	...6
How to use these Guidelines	...7
Performance Indicators:	...8
○ ECO1: Corporate Philanthropy	...9
○ ENV1: Building Ratings	...10
○ ENV2: Materials	...11
○ ENV3: Energy	...12
○ ENV4: Water	...13
○ ENV5: Biodiversity & Land Use	...14
○ ENV6: Emissions	...15
○ ENV7: Waste	...16
○ SOC1: Employment	...17
○ SOC2: Occupational Health & Safety	...18
○ SOC3: Training & Education	...19
○ SOC4: Human Rights	...20
○ SOC5: Community	...21
○ SOC6: Political Donations	...22
Appendix A: GRI Profile Disclosures	...23
Appendix B: Materiality Summary	...28
Feedback	...29

Setting the Scene

Australian property companies are recognised as world leaders in the field of corporate responsibility reporting.

However, many property companies, small and large, are yet to take on the challenge of providing greater transparency in their social, environmental and economic practices.

This guide will help property companies report their corporate responsibility performance in a more meaningful and comparable manner.

It provides a **voluntary** template for corporate responsibility reporting that can be customised to the needs of individual corporations.

The purpose of this guide is to:

1. provide a **simple, entry level reporting template** for property companies;
2. **standardise the metrics** that property companies use to report corporate responsibility; and
3. provide **guidance on materiality** in the property sector.

The guide:

- defines corporate responsibility;
- sets out a conceptual framework for corporate responsibility reporting;
- identifies the touchstones of a robust reporting framework;
- relates the template to international reporting schemes;
- explores the concept of materiality and its implications for reporting; and
- outlines basic reporting metrics.

A study of ten leading property companies found that while many of them were providing information on the same performance indicators they were doing so using numerous different metrics.

The metrics provided in this guide deliver a standardised approach for corporate responsibility reporting in the property sector.

The guide helps property organisations to disclose meaningful accounts of their performance on a comparable basis.

The template covers:

- owners;
- fund managers;
- facility managers;
- developers;
- construction contractors; and
- corporations with property assets.

It is the individual company's responsibility to determine their relevant areas of materiality.

The template does not provide performance indicators for occupiers or tenants.

Reporting organizations are encouraged to follow the GRI Profile Disclosures provided in Appendix A as structure for compiling their reports, however, other formats may be chosen.

Corporate Responsibility and Sustainability

Corporate responsibility is the view that a corporation ought to deliver social and environmental dividends while pursuing its primary economic interests.

This should be done within a governance framework that legitimises and renews a company’s rights and licenses to operate.

Corporate responsibility reporting is the accounting and disclosure of a corporation’s performance in relation to these activities.

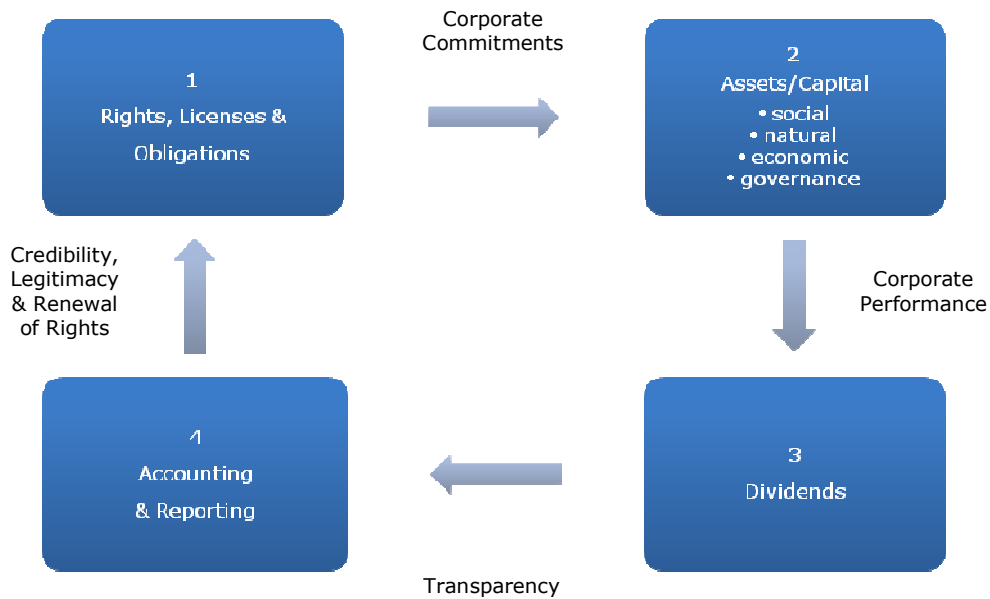
In a sustainable society, corporations optimise the development of economic, social, environmental and governance capital to produce diverse community dividends.

Crucially, the process of creating these dividends does not deplete non economic forms of capital.

This guide provides a template for measuring and disclosing a property company’s performance in the course of delivering sustainable outcomes.

A simple portrayal of the links between a corporation’s public activities and its reporting obligations is shown below.

COMMUNITY VALUE CHAIN



International Reporting Standards

There are many other international programs relevant to the property arena.

Australian property companies, particularly those that operate across all spheres of the sector, have signed up to many of these programs, even though few specifically address the unique features of the industry.

The leading schemes are:

- *Dow Jones Sustainability Indexes (DJSI)* – these indices provide asset managers with benchmarks to manage sustainability portfolios.
- *FTSE4Good* – this series measures the performance of companies that meet globally recognised corporate responsibility standards, to facilitate investment in them. It focuses primarily on the creation of responsible investment products.
- *Global Reporting Initiative (GRI)* – the GRI proposes to develop a real estate sector supplement. GRI has conducted a preliminary analysis of corporate responsibility reporting metrics and practices.
- *UNEP Finance Initiative (UNEP FI)* – to date, the UNEP FI (and its property working group) has focussed on socially responsible investment. It recently produced a set of case studies on responsible property investing divided into 10 elements:
 - energy conservation;
 - environmental protection;
 - voluntary certifications;
 - public transport oriented developments;
 - urban revitalisation and adaptability;
 - health and safety;
 - worker well being;
 - corporate citizenship;
 - social equity and community development; and
 - local citizenship.
- *UNEP Sustainable Building and Construction Initiative (UNEP SBCI)* – a new item in the SBCI business plan is to “develop global benchmarks for sustainable buildings and construction.”

This voluntary guide draws on the thinking contained in these global standards.

The metrics outlined in this guide refer to specific elements of international standards, where relevant.

Materiality

How do we define the property sector and the scope of corporate responsibility reporting activities?

In short, how do we identify the material metrics that meaningfully account for corporate responsibility performance?

The Concept of Materiality

The Global Reporting Initiative (GRI) provides the following perspective on the concept of materiality:

The information in a report should cover topics and indicators that reflect the organisation's significant economic, environmental, and social impacts, or that would substantively influence the assessments and decisions of stakeholders.

Give the complex nature of this exercise, that materiality can be assessed in terms of the following criteria:

- generic issues/impacts – those that have been recognised as important to society but do not affect, or aren't affected directly, by a company's operations;
- value chains issues/impacts – those that are significantly affected by the company's operations in the ordinary course of business; and
- competitive context issues/impacts – those that significantly affect the underlying drivers of competitiveness in the places the company operates.¹

It is important to note that boundaries for materiality will differ for individual companies.

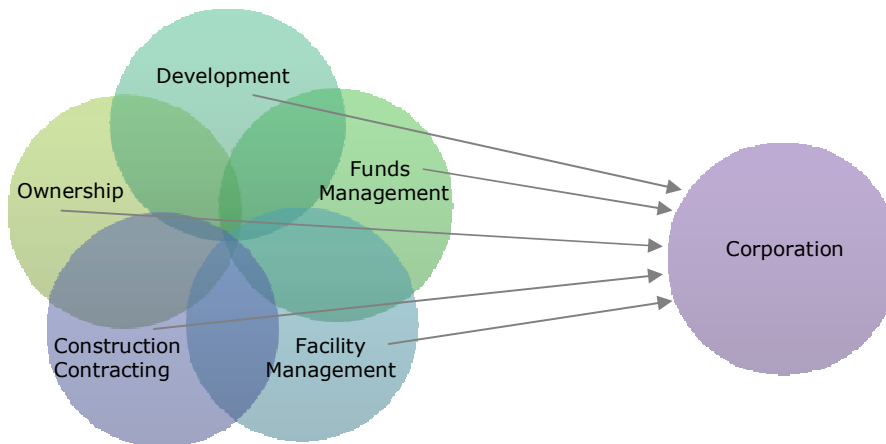
Companies should also consider engaging with stakeholders to determine their thresholds.

The Property Universe

The property universe is divided into five spheres of activity that may operate within a corporation: ownership, funds management, facility management, development and construction contracting.

Many Australian companies operate across all five spheres. Consequently, this guide proposes an integrated set of corporate responsibility reporting accounts and metrics that covers each area of activity.

It notes those cases where reporting metrics relate to a discrete sphere of activity.



¹ Michael E Porter and Mark R Krames "The Link Between Competitive Advantage and Corporate Responsibility." Harvard Business Review (December 2006)

How to use these Guidelines

1. This guide applies to all property assets, except infrastructure (eg. rail/road, energy, exclusions may occur where these projects include built environment eg. transport hubs).
2. This guide is voluntary. It is not a rating tool and the Property Council will not publicly state whether companies comply with the performance indicators or provide advice on the use of the template in individual circumstances.
3. The guide provides indicators for different spheres of company operations – it does not attempt to cover every performance criteria nominated by other international reporting standards.
4. Companies choosing to report on any of the indicators are advised to use the metrics provided.
5. When applying the metrics users need to exercise their judgement rather than rely on hard rules or 'tick the box' rating systems.
6. Companies are encouraged to extend their corporate responsibility reporting to include international reporting standards, using the Property Council guide as a basic starting point for this exercise.
7. This guide does not cover economic metrics covered by international financial reporting standards.
8. This guide does not identify the legal obligations and reporting responsibilities of a company, the document assumes that all companies comply with Australian law.
9. Users of this document should note:
 - a. the materiality of the indicators is identified at the top right hand corner of each page;
 - b. companies should decide which of the metrics they wish to report against – there is no expectation that all must be used;
 - c. additional guidance or interpretation is provided at the bottom of the page; and
 - d. for those who wish to apply their results to other reporting schemes, equivalent indicators are listed on the bottom left of each page.
10. Reporting organizations are encouraged to follow the GRI Profile Disclosures provided in Appendix A as structure for compiling their reports, however, other formats may be chosen.
11. Companies should consider seeking independent assurance before making statements about their performance.
12. Appendix B: Materiality Summary has been provided so that companies can quickly identify which performance indicators are relevant to their areas of operation.

Performance Indicators

Economic Performance

 **ECO1 Corporate Philanthropy ..9**

Environmental Performance

 **ENV1 Building Ratings ..10**

 **ENV2 Materials ..11**

 **ENV3 Energy ..12**

 **ENV4 Water ..13**

 **ENV5 Biodiversity & Land Use ..14**

 **ENV6 Emissions ..15**

 **ENV7 Waste ..16**

Social Performance

 **SOC1 Employment ..17**

 **SOC2 Occupational Health & Safety ..18**

 **SOC3 Training & Education ..19**

 **SOC4 Human Rights ..20**

 **SOC5 Community ..21**

 **SOC6 Political Donations ..22**

Economic Performance

ECO1 : CORPORATE PHILANTHROPY

ECO1: Corporate Philanthropy

A company's economic performance covers more than its statement of financial accounts.

Corporate responsibility requires a company to identify its economic contribution on a broader community basis.

This is largely achieved by recording the services and investments provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

Material for:

- Owners**
- Fund Managers**
- Facility Managers**
- Developers**
- Construction Contractors**
- Corporations**

Metrics

Cash contributions	Total (\$)
	% of pre-tax profit
In kind/other contribution	Total (\$)
	Explanation (Text)
Employee time contributed	Total (hours)

Reporting Equivalents

GRI	EC1, EC8
DJSI	Corporate Citizenship/ Philanthropy
FTSE4GOOD	Social & Stakeholder Criteria

Note:

Companies that report against the London Benchmarking Group guidelines could provide that summary as an alternative to the above metrics.

In-kind and employee time contributions should be at-cost and during company time.

Many economic performance indicators are currently covered by the requirements of the Australian Securities Exchange (ASX), and as a result are not included in this template.

Companies should provide guidance to locating ASX economic indicators (eg. annual reports and websites).

Environmental Performance

ENV1 : BUILDING RATINGS

ENV1: Building Ratings

The property sector is increasingly using rating tools to measure the environmental performance of buildings.

These allow owners to compare their buildings and measure improvements in performance.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Type of tool(s) used	Name(s)
Number of buildings rated	Total
Proportion of portfolio rated	(%) by number
Number of buildings in each star band	Total by band

Reporting Equivalents

GRI	None
DJSI	Environment Policy/ Management System
FTSE4GOOD	Environmental Criteria

Notes:

Where property owners have gone to the trouble to rate their buildings, they should report the results.

Building ratings should be third-party certified and achieved versus registered.

Where a company has multinational operations building ratings should be split by country.

ENV2: Materials

A building's impact on the environment extends beyond its operation and includes the materials from which it was constructed.

This indicator measures new, recycled and environmentally responsible material utilised in development projects.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers**
- Construction Contractors**
- Corporations

Metrics

Weight or volume of material	(kg or m ³)
Recycled or accredited environmentally responsible material by weight or volume	(%)
Materials by type	List (text)

Reporting Equivalents

GRI	EN1, EN2
DJSI	Environment Policy/ Management System
FTSE4GOOD	Environmental Criteria

Notes:

It is up to each company to determine whether they measure material use by weight or by volume, but this decision should be recorded.

Corporations should consider breaking down their report further into the type of material being measured.

Where a company has multinational operations materials should be split by country.

ENV3: Energy

This indicator seeks to measure a corporation's use and conservation of energy.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Energy used	Absolute (MJ)	
Average energy used	By square metre (MJ/sqm) divided into asset type	Relevant for owners, funds managers, facility managers
	By gross revenue (MJ/\$gross revenue) by materiality	Relevant for developers, construction contractors
	By asset (MJ/asset type)	
	By fuel source (MJ-e)	
Energy saved (compared to previous year)	Absolute (% total MJ)	
	By square metre (%/sqm) divided into asset type	Relevant for owners, funds managers, facility managers
	By gross revenue (% MJ/\$gross revenue) by materiality	Relevant for developers, construction contractors
	By asset (% MJ-e)	
	By fuel source (% MJ)	
Initiatives undertaken	Explanation (Text)	

Reporting Equivalents

GRI	EN3, EN4, EN5, EN6, EN7
DJSI	Operational Eco-Efficiency
FTSE4GOOD	Environmental Criteria

Notes:

Only the energy used in a corporation's activities or in base buildings should be recorded for these metrics.

If a company wishes to report on their own tenant energy use, this should be recorded separately.

If you operate over differing spheres of materiality you should considered splitting the reporting for each sphere.

Where a company has multinational operations energy use should be split by country.

Definition:

MJ-e Equivalent energy in megajoules for each fuel source

ENV4: Water

This indicator seeks to measure a corporation's use and conservation of water.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Water used	Absolute (ML)	
Average water used	By square metre (ML/sqm) divided into asset type	Relevant for owners, funds managers, facility managers
	By gross revenue (ML/\$gross revenue) by materiality	Relevant for developers, construction contractors
	By asset (ML/asset type)	
	By source (ML)	
Water saved (compared to previous year)	Absolute (% ML)	
	By square metre (%ML/sqm) divided into asset type	Relevant for owners, funds managers, facility managers
	By gross revenue (%ML/\$gross revenue) by materiality	Relevant for developers, construction contractors
	By asset (%ML/asset)	
	By source (%ML/source)	
Initiatives undertaken	Explanation (Text)	

Notes:

If a company wishes to report on their own tenant water use, this should be recorded separately.

Where a company has multinational operations water use should be split by country.

Definitions:

Measuring "by source" relates to the amount of water drawn from:

- potable municipal water;
- rainwater collection;
- bore water;
- grey water recycling (onsite and/or offsite);
- black water recycling (onsite and/or offsite); or
- desalinated.

Reporting Equivalents

GRI	EN8, EN9, EN10
DJSI	Operational Eco-Efficiency
FTSE4GOOD	Environmental Criteria

ENV5: Biodiversity & Land Use

The impact of the built environment on nature and threatened species can be significant.

Company should report on any effect their activities have on high value biodiversity or on places of particular indigenous or other heritage significance.

Material for:

- Owners**
- Fund Managers**
- Facility Managers**
- Developers**
- Construction Contractors**
- Corporations**

Metrics

Land affected	Amount (hectares)
Category of land covered and its impacts on: <ul style="list-style-type: none"> • high value biodiversity; and • indigenous or other heritage 	Explanation (Text)
Initiatives undertaken	Explanation (text)

Reporting Equivalents

GRI	EN11, EN12, EN14
DJSI	Environment Policy/ Management System
FTSE4GOOD	Environmental Criteria

Notes:

Where a company has multinational operations biodiversity and land use should be split by country.

An area of land may be identified as having high biodiversity conservation values because of:

- (a) the type of vegetation in the area, the extent to which it is cleared or the condition of the vegetation (or any combination of these factors), or
- (b) the type of species, populations or ecological communities found in the area.²

² Threatened Species Conservation (Biodiversity Banking) Regulation 2008, New South Wales Government

ENV6: Emissions

Climate change is widely recognised as the most significant environmental issue facing the globe.

The built environment and its occupants account for 23% of Australia's total greenhouse gas emissions.

To ensure that the property sector is contributing to greenhouse gas abatement, companies should identify and record their carbon footprints and footprint reduction.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Greenhouse gas emissions	Absolute (tCO ₂ -e)	
	By square metre (tCO ₂ -e/sqm)	Relevant for owners, funds managers, facility managers
	By gross revenue (tCO ₂ -e/\$gross revenue) by materiality	Relevant for developers, contractors
	By emissions source (tCO ₂ -e): <ul style="list-style-type: none"> • Total scope 1 emissions (including NO_x, SO_x, ozone depleting) • Total scope 2 emissions • Total scope 3 emissions 	
Emissions abated against last year	Absolute (%)	
	By square metre (%/sqm)	Relevant for owners, funds managers, facility managers
	By gross revenue (%/\$gross revenue)	Relevant for developers, contractors
Initiatives undertaken	Explanation (text)	

Reporting Equivalents

GRI	EN16, EN17, EN19
DJSI	Operational Eco-Efficiency
FTSE4GOOD	Environmental Criteria

Notes:

If a company wishes to report on their own tenant emissions, this should be recorded separately.

Where a company has multinational operations emissions should be split by country.

Reporting boundaries for greenhouse gas emissions should be highlighted from the outset.

Definition:

- tCO₂-e - tonnes of CO₂-equivalent emissions
- NO_x - nitrous oxides
- SO_x - sulphur oxides

ENV7: Waste

This indicator aims to record the amount of total tenant, occupant, and construction waste that is sent to landfills and, by extension, the amount that is recycled.

- Material for**
- Owners
 - Fund Managers
 - Facility Managers
 - Developers
 - Construction Contractors
 - Corporations

Metrics

Diversion of waste to landfill by weight or volume	Total	Relevant for developers and construction contractors
	(%)	
	By waste type (%)	

Reporting Equivalents

GRI	EN22
DJSI	Operational Eco-Efficiency
FTSE4GOOD	Environmental Criteria

Notes:

'Construction materials' as a category of waste should be divided into:

- Active (eg. timber, textiles) which result in methane emissions; or
- Inert (eg. steel, concrete) which have no emissions

These metrics should be used where there is a large quantity of waste being measured.

Waste can also be broken down by source.

It is important to note that hazardous waste not permitted to be sent to landfill should be reported as a separate item.

Soil removed should be included and broken into contaminated and non-contaminated soil.

Social Performance

SOC1: Employment

This indicator aims to provide a record of the demographic makeup of a corporation.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Number of employees	Total
	By age
	Gender by employment band
	Full time/Part time/Casual
	Turnover (%) by category
Pay parity	Gender by employment band (ratio)

SOC1 : EMPLOYMENT

Reporting Equivalents

GRI	LA1, LA2, LA13, LA14
DJSI	Labour Practice Indicators
FTSE4GOOD	Social & Stakeholder Criteria

Notes:

Where a company has multinational operations employment data should be split by country

Corporations might also consider whether other categories of employees should be measured, such as:

- ethnic diversity,
- indigenous workforce, or
- employees with disabilities.

Definition:

"Employment band" relates to the different level of employee within a company.

For example:

- Executive Management;
- Senior Management;
- Management;
- Professional/technical; and
- Employee.

Turnover categories include age, gender, full-time/part-time/casual/contractor, voluntary/involuntary.

SOC2: Occupational Health & Safety

Worker injury and fatality rates are snapshots of the duty of care exercised by a corporation in relation to its employees.

Proactive mitigation strategies should be identified and reported.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Lost Time Injury Frequency Rate (LTIFR) (AS 1885.1)	Injuries per 1 million hours worked
	Reduction on previous year (%)
	By employment sector
Fatalities	Total
	Number of fatalities by employment band
	Reduction on previous year (%)
Safety and risk management practices	Text about initiatives to improve safety, including 'lead' indicators

Reporting Equivalents

GRI	LA6, LA7, LA8, LA9
DJSI	Labour Practice Indicators
FTSE4GOOD	Social & Stakeholder Criteria

Notes:

Where a company has multinational operations occupational health and safety data should be split by country

Definition:

"Employment band" relates to the different level of employee within a company.

For example:

- Executive Management;
- Senior Management;
- Management;
- Professional/technical;
- Employee;
- Contractor; and
- Non-employees (eg. customers)

SOC3: Training & Education

Employee training rates demonstrate a corporation investment in its staff.

A corporation that spends more on education and training for staff beyond compliance responsibilities is sending a message that its employees are valuable to it.

Companies reporting against this metric should only outline workplace relevant training that is not related to their statutory responsibilities.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Amount of training	Hours per employee per year (hours/p.a.)
	By employment band (hours/p.a.)
	By type (text)

Reporting Equivalents

GRI	LA10, LA11, LA12
DJSI	Human Capital Development
FTSE4GOOD	Social & Stakeholder Criteria

Definition:

"Employment band" relates to the different level of employee within a company.

For example:

- Executive Management;
- Senior Management;
- Management;
- Professional/technical; and
- Employee

SOC4: Human Rights

A company’s human rights obligations extend to practices explored by its supplier.

Investment and procurement practices should screen contractors and suppliers for their exposure to human rights violations including:

- discrimination;
- child labour;
- forced or compulsory labour;
- worker representation (freedom of association).

This is particularly important if a company is sourcing materials from outside Australia.

Corporations should employ strategies to prevent racial, sex or disability discrimination and to report any incidents that may occur.

Material for:

- Owners
- Fund Managers
- Facility Managers
- Developers
- Construction Contractors
- Corporations

Metrics

Human rights violations by contractors or suppliers	Text on strategy to screen and expose human rights violations
	Text about incidents and actions taken on reports of violations
Discrimination	Number of incidents reported by category
	Text about actions taken

Reporting Equivalents

GRI	HR2, HR4
DJSI	Labour Practice Indicators, Standards for Suppliers
FTSE4GOOD	Supply Chain Labour Standards Criteria, Human Rights Criteria

Notes:

Where a corporation has multinational operations human rights violations and discrimination incidents should be reported.

Those violations and incidents should be reported by country.

If a company has obtained assurance from suppliers or contractors this should be reported.

Definitions:

Incident categories can include: age, gender, full-time/part-time/casual/contractor.

SOC5: Community

It is important that the success of a company's activities is reflected in their acceptance by the wider community.

Any potential impacts of these projects should be identified, resolved and reported.

Material for:

- Owners**
- Fund Managers**
- Facility Managers**
- Developers**
- Construction Contractors**
- Corporations**

Metrics

Initiatives to deal with impacts on communities	Text about nature, scope and effectiveness of any programs and practices that aim to minimise impacts on communities
Development projects or property assets subject to criticism in the past year, including: <ul style="list-style-type: none"> o adverse community exposure; or o negative media scrutiny 	Number of development projects or property assets. Text about type of difficulties

Reporting Equivalents

GRI	SO1
DJSI	Stakeholder Engagement
FTSE4GOOD	Environmental Criteria

SOC6: Political Donations

Property companies, like any other corporation, should be free to participate in, and contribute to, the democratic process.

However, in the interests of transparency, any donations made by a company to political entities should be declared.

Such declarations should extend to the funding of special purpose campaigns or organisations.

Material for:

- Owners**
- Fund Managers**
- Facility Managers**
- Developers**
- Construction Contractors**
- Corporations**

Metrics

Donations	Contribution per organisation (\$)
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Reporting Equivalents

GRI	SO6
DJSI	Codes of Conduct/ Compliance/ Corruption & Bribery
FTSE4GOOD	Countering Bribery Criteria

Note:

This report should comply with the requirements of the Australian Electoral Commission's declarations/records.

Appendix A – GRI Profile Disclosures

This appendix reprints the Profile Disclosures provided by the GRI G3 Guidelines².

This section specifies the base content that should appear in a sustainability report, subject to the guidance on materiality.

Profile disclosures set the overall context for understanding organizational performance such as its strategy, profile, and governance.

Reporting organizations are encouraged to follow this structure in compiling their reports, however, other formats may be chosen.

Strategy and Analysis

This section is intended to provide a high-level, strategic view of the organization's relationship to sustainability in order to provide context for subsequent and more detailed reporting against other sections of the Guidelines. It may draw on information provided in other parts of the report, but this section is intended to produce insight on strategic topics rather than simply summarize the contents of the report. The strategy and analysis should consist of the statement outlined in 1.1 and a concise narrative outlined in 1.2.

- 1.1 Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.

The statement should present the overall vision and strategy for the short-term, medium-term (e.g., 3-5 years), and long-term, particularly with regard to managing the key challenges associated with economic, environmental, and social performance. The statement should include:

- Strategic priorities and key topics for the short/medium-term with regard to sustainability, including respect for internationally agreed standards and how they relate to long-term organizational strategy and success;
- Broader trends (e.g., macroeconomic or political) affecting the organization and influencing sustainability priorities;
- Key events, achievements, and failures during the reporting period;
- Views on performance with respect to targets;
- Outlook on the organization's main challenges and targets for the next year and goals for the coming 3-5 years; and
- Other items pertaining to the organization's strategic approach.

- 1.2 Description of key impacts, risks, and opportunities.

The reporting organization should provide two concise narrative sections on key impacts, risks, and opportunities.

Section One should focus on the organization's key impacts on sustainability and effects on stakeholders, including rights as defined by national laws and relevant internationally agreed standards. This should take into account the range of reasonable expectations and interests of the organization's stakeholders. This section should include:

- A description of the significant impacts the organization has on sustainability and associated challenges and opportunities. This includes the effect on stakeholders' rights as defined by national laws and the expectations in internationally-agreed standards and norms;
- An explanation of the approach to prioritizing these challenges and opportunities;
- Key conclusions about progress in addressing these topics and related performance in the reporting period. This includes an assessment of reasons for underperformance or over-performance; and
- A description of the main processes in place to address performance and/or relevant changes.

Section Two should focus on the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of the organization. This should concentrate specifically on information relevant to financial stakeholders or that could become so in the future. Section Two should include the following:

² Global Reporting Initiative. 2007. *G3 Online: Product Disclosures*. Stichting Global Reporting Initiative (GRI), www.globalreporting.org

- A description of the most important risks and opportunities for the organization arising from sustainability trends;
- Prioritization of key sustainability topics as risks and opportunities according to their relevance for long-term organizational strategy, competitive position, qualitative, and (if possible) quantitative financial value drivers;
- Table(s) summarizing:
 - Targets, performance against targets, and lessons-learned for the current reporting period; and
 - Targets for the next reporting period and mid-term objectives and goals (i.e., 3-5 years) related to key risks and opportunities.

Concise description of governance mechanisms in place to specifically manage these risks and opportunities, and identification of other related risks and opportunities.

Organizational Profile

- 2.1 Name of the organization.
- 2.2 Primary brands, products, and/or services.

The reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing.
- 2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.
- 2.4 Location of organization's headquarters.
- 2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
- 2.6 Nature of ownership and legal form.
- 2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).
- 2.8 Scale of the reporting organization, including:
 - Number of employees;
 - Net sales (for private sector organizations) or net revenues (for public sector organizations);
 - Total capitalization broken down in terms of debt and equity (for private sector organizations); and
 - Quantity of products or services provided.

In addition to the above, reporting organizations are encouraged to provide additional information, as appropriate, such as:

 - Total assets;
 - Beneficial ownership (including identity and percentage of ownership of largest shareholders); and
 - Breakdowns by country/region of the following:
 - Sales/revenues by countries/regions that make up 5 percent or more of total revenues;
 - Costs by countries/regions that make up 5 percent or more of total revenues; and
 - Employees.
- 2.9 Significant changes during the reporting period regarding size, structure, or ownership including:
 - The location of, or changes in operations, including facility openings, closings, and expansions; and
 - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).
- 2.10 Awards received in the reporting period.

Report Parameters

Report Profile

- 3.1 Reporting period (e.g., fiscal/calendar year) for information provided.
- 3.2 Date of most recent previous report (if any).
- 3.3 Reporting cycle (annual, biennial, etc.)
- 3.4 Contact point for questions regarding the report or its contents.

Report Scope and Boundary

- 3.5 Process for defining report content, including:
 - Determining materiality;
 - Prioritizing topics within the report; and
 - Identifying stakeholders the organization expects to use the report.

Include an explanation of how the organization has applied the 'Guidance on Defining Report Content' and the associated Principles.

- 3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.
- 3.7 State any specific limitations on the scope or boundary of the report.

If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage.
- 3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
- 3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.

Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.
- 3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
- 3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

GRI Content Index

- 3.12 Table identifying the location of the Standard Disclosures in the report.

Identify the page numbers or web links where the following can be found:

 - Strategy and Analysis 1.1 – 1.2;
 - Organizational Profile 2.1 – 2.10;
 - Report Parameters 3.1 – 3.13; and
 - Governance, Commitments, and Engagement 4.1 – 4.17.
 - Disclosure of Management Approach, per category;
 - Core Performance Indicators;
 - Any GRI Additional Indicators that were included; and
 - Any GRI Sector Supplement Indicators included in the report.

Assurance

- 3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

Governance

- 4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.
- Describe the mandate and composition (including number of independent members and/or non-executive members) of such committees and indicate any direct responsibility for economic, social, and environmental performance.
- 4.2 Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).
- 4.3 For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.
- State how the organization defines 'independent' and 'non-executive'. This element applies only for organizations that have unitary board structures. See the glossary for a definition of 'independent'.
- 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.
- Include reference to processes regarding:
- The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and
 - Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body.
- Identify topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.
- 4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).
- 4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.
- 4.7 Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.
- 4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.
- Explain the degree to which these:
- Are applied across the organization in different regions and department/units; and
 - Relate to internationally agreed standards.
- 4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.
- Include frequency with which the highest governance body assesses sustainability performance.
- 4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

Commitments to External Initiatives

- 4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Article 15 of the Rio Principles introduced the precautionary approach. A response to 4.11 could address the organization's approach to risk management in operational planning or the development and introduction of new products.

- 4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

Include date of adoption, countries/operations where applied, and the range of stakeholders involved in the development and governance of these initiatives (e.g., multi-stakeholder, etc.). Differentiate between non-binding, voluntary initiatives and those with which the organization has an obligation to comply.

- 4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:

- Has positions in governance bodies;
- Participates in projects or committees;
- Provides substantive funding beyond routine membership dues; or
- Views membership as strategic.

This refers primarily to memberships maintained at the organizational level.

Stakeholder Engagement

The following Disclosure Items refer to general stakeholder engagement conducted by the organization over the course of the reporting period. These Disclosures are not limited to stakeholder engagement implemented for the purposes of preparing a sustainability report.

- 4.14 List of stakeholder groups engaged by the organization.

Examples of stakeholder groups are:

- Communities;
- Civil society;
- Customers;
- Shareholders and providers of capital;
- Suppliers; and
- Employees, other workers, and their trade unions.

- 4.15 Basis for identification and selection of stakeholders with whom to engage.

This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage.

- 4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

This could include surveys, focus groups, community panels, corporate advisory panels, written communication, management/union structures, and other vehicles. The organization should indicate whether any of the engagement was undertaken specifically as part of the report preparation process.

- 4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

Appendix B – Materiality Summary

Materiality Summary						
Performance Indicators	Owners	Fund Managers	Facility Managers	Developers	Construction Contractors	Corporations
ECON1 – Corporate Philanthropy	✓	✓	✓	✓	✓	✓
ENV1 – Building Ratings	✓	✓	✓	x	x	x
ENV2 – Materials	x	x	x	✓	✓	x
ENV3 – Energy	✓	✓	✓	✓	✓	✓
ENV4 – Water	✓	✓	✓	✓	✓	✓
ENV5 – Biodiversity & Land Use	✓	✓	x	✓	x	✓
ENV6 – Emissions	✓	✓	✓	✓	✓	✓
ENV7 – Waste	x	x	✓	✓	✓	✓
SOC1 – Employment	✓	✓	✓	✓	✓	✓
SOC2 – Occupational Health & Safety	✓	✓	✓	✓	✓	✓
SOC3 – Training & Education	✓	✓	✓	✓	✓	✓
SOC4 – Human Rights	✓	✓	✓	✓	✓	✓
SOC5 – Community	✓	✓	✓	✓	✓	✓
SOC6 – Political Donations	✓	✓	✓	✓	✓	✓

Feedback:

These are draft guidelines and the Property Council of Australia seeks feedback.

An electronic copy of the publication is available at:

www.propertyoz.com.au/cr

Please separate your responses into:

- general statements relevant to philosophy, scope etc.; and
- specific alterations to the draft text.

Please send all comments to the Property Council by **28 May, 2010**.

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The Property Council sincerely thanks members for their ongoing contribution to the drafting of *A Guide to Corporate Responsibility Reporting in the Property Sector*.

The Property Council also gratefully acknowledges the valuable work of the project's working group.

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