

GPT AND THE ENVIRONMENT



GPT aims to keep unitholders informed about environmental initiatives in each of its portfolios and is committed to ensuring that all of its assets are managed in a responsible manner that is sensitive to the environment. This is evidence of the Responsible Entity's commitment to continuous disclosure, greater transparency and improvements in environmental performance.

Within each property portfolio, property managers are required to have a program for managing environmental risk. The programs are tailored to each sector and require: defined objectives and targets; reports on current initiatives and planned initiatives; and monitoring via regular external audits.

PORTFOLIO SPECIFIC INITIATIVES

Retail Initiatives

Lend Lease Retail (LLR), a subsidiary of Lend Lease Corporation, manages the GPT portfolio of shopping centres. LLR is one of the largest managers of retail space in Australia, with 20 shopping centres under management, 16 of which are owned by GPT.

As part of the Greenhouse Challenge Program a 14.2% reduction in greenhouse gas emissions (by July 2001) was achieved through the development and operation of an Energy Conservation & Management (EC & M) program. This exceeded the program's target of 10%.

Current Initiatives

During 2001, initiatives adopted at GPT's shopping centres included:

- The identification of underground fuel storage tanks, and assessment of the risk of leakage. Tanks that were not in use or at high risk of leaking were decommissioned.
- Standardised maintenance procedures for all air-conditioning cooling towers, which will minimise the risk of emitting hazardous bio-aerosol.

- Establishing waste recycling programs and making each centre's management accountable for the waste program.

Energy Conservation & Management (EC & M) Program (internally driven)

The Greenhouse Challenge Program ended in July 2001 and since then tenders have been called for an internally driven EC & M program, which will involve performing a detailed energy analysis of a major shopping centre in the Retail Portfolio. The analysis will assist in understanding how to further reduce energy consumption and will also provide valuable data for input into the design process of future developments or redevelopments in the Retail Portfolio.

The EC & M program aims to reduce both energy consumption and greenhouse gas emissions across GPT's Retail Portfolio and is scheduled to commence in early 2002.

Ernst & Young Integrated Waste Management System

Ernst & Young have been engaged to provide integrated waste management services at GPT's shopping centres. Ernst & Young have provided this service to organisations in the Federal Government, hospitality, property, retail and manufacturing sectors.

There are two distinct phases to this program, with the initial phase, which should be complete in 2002, focussed on auditing the waste stream, service delivery, cost reduction and improved infrastructure. The results will be used to quantify waste volumes in detail and set appropriate waste minimisation targets for the second phase of the program which will involve developing and implementing strategies that reduce the need for waste management.

This initiative, in addition to providing environmental benefits, will assist in reducing both waste and waste costs for each centre. The integrated waste management program

will enable LLR to meet future challenges of environmental governance as well as reporting to governments, stakeholders and the broader community. The program will also provide an excellent platform for the implementation of future initiatives, which will provide significant environmental, ecological and financial benefits.

Office Initiatives

The majority of GPT's office assets are managed by Jones Lang LaSalle (JLL). During 2001 JLL participated in a Greenhouse Gas reduction program and achieved a 15.1% reduction in greenhouse gas emissions against a reduction target of 10% (by July 2001). GPT and JLL have since commenced discussions with the Greenhouse Office to develop an ongoing greenhouse gas reduction program across GPT's office properties.

Current Initiatives

In January 2001, Australia Square became the subject of a pilot scheme to reduce the amount of waste to landfill from large office complexes. The main purpose of the scheme was to use Australia Square's experiences to develop a Waste Reduction Plan that could be used by other GPT properties. The project began with an audit of the Australia Square waste stream, and for one day every item of waste generated was collected, weighed and analysed. The results, and a list of recommended improvements, were presented in a comprehensive report.

A reduction in waste to landfill for Australia Square required the re-engineering of the waste collection and removal process and a change in the habits of tenants. For 2001, an 8% reduction in waste levels compared with 2000 was achieved, and further reductions are expected. Australia Square's waste reduction target is a 50% reduction in waste disposed to landfill by March 2003.

A further roll out of greenhouse gas reduction and waste audit/management programs across buildings in the Office Portfolio will enhance the savings for GPT and tenants as well as providing a better environment to live in.

Industrial/Business Park Initiatives

Broad based environmental programs are difficult to implement across the Industrial/Business Park Portfolio, as individual tenants, not GPT, control daily operations such as cleaning, waste removal and electricity consumption.

A focus for GPT over 2001 has been minimising the impact on the environment in the development of assets in this Portfolio.

At 11 Grand Avenue, Camellia, a 29,500m² warehouse and office facility is being constructed for Australian Pharmaceutical Industries. In constructing the facility, 11,000 cubic metres of demolition material will be reused for the earthworks component of the project and 820 cubic metres of concrete slab will be reused as road base. The design of the facility is also environmentally friendly, with:

- The installation of Gross Pollutant Traps to improve the quality of water entering Parramatta River; and
- Installation of air conditioning chillers that utilise a nil ozone depleting refrigerant.

The development of Quad 2 at Homebush Bay has incorporated the following:

- Storm water management through the use of sediment fences, and the installation of a truck wheel wash bay to prevent tracking soil off-site.
- Air quality management by installing a water cart to dampen exposed soil, and the use of shade cloth on the site perimeter to prevent excessive dust emission.

Hotel/Tourism Initiatives

The GPT Hotel/Tourism Portfolio consists of Ayers Rock Resort, the Four Points by Sheraton Hotel and the Holiday Inn Brisbane.

Ayers Rock Resort

Ayers Rock Resort is an expanding asset neighbouring the unique World Heritage listed Uluru-Kata Tjuta National Park. The Resort is managed by Voyages Hotels and Resorts, which has a detailed Environmental Management Plan in place.

During 2001, the Northern Territory Tourism Commission awarded the 2001 'Brolga Award' for Tourism excellence in the Environmental Tourism category to the Resort. This recognition is indicative of the progress that has been made in handling environmental issues.

Current initiatives at the Resort include:

- A 13.2% reduction in greenhouse gas emissions was achieved to July 2001, exceeding the target of 10% set in 2000. The Resort has committed to maintain this level of emissions.
- Expansion of recycling programs, with the volume of glass recycled increasing by 30% compared to 2000, and cardboard recycling increasing by 112% due to the purchase of three new cardboard compactors. Plastics recycling is being investigated and should result in a partnership with a plastic products supplier and a recycler.
- A Land Management Program which provides guidelines on reducing adverse impacts on the land and the rehabilitation process for disturbed lands. Stage 1 of the Resort expansion is now complete, with land clearing minimised and land disturbed during works has been rehabilitated.
- Protection of vulnerable species through habitat management by excluding certain areas from development and the introduction of controlled burns to regenerate the spinifex habitats of these species. Predator monitoring and control decreases the stress placed on species populations by removing feral competitors and predators from Resort land.

The construction of the Luxury Wilderness Camp Tents has now been approved under the Environment Protection and Biodiversity Conservation Act. Environmental impact and cultural assessments were conducted to ensure the location did not include any aboriginal sacred sites. The Campsite will be developed and operated with minimal impact to the environment.

Four Points by Sheraton Hotel & Holiday Inn Brisbane

The Four Points by Sheraton Hotel and Holiday Inn Brisbane are managed by independent operators. Both are committed to the following initiatives:

- Installation of energy efficient compact fluorescent lamps;
- A recycling program for paper, cardboard and glass; and
- A voluntary bath towel re-use program.

Planned initiatives at Four Points by Sheraton include re-calibration of building controls to ensure optimal operation of central plant and equipment to reduce emissions. The Holiday Inn Brisbane is investigating the installation of an overflow tank on the air conditioning chilling towers to prevent water loss.

AUDIT PROCESS

Audits are undertaken by independent experts at GPT's Retail, Office and Industrial/Business Park properties. The audits identify any environmental risks and recommend ways to enhance environmental performance. The aim of the audit program is to ensure that there are no 'Major' Environmental hazards at the properties without a management plan in place to minimise the impact of the hazard.

As at 31 December 2001 there were no 'Major' Environmental hazards in the portfolio without a management plan in place. The audit program is reviewed annually to ensure it addresses current and emerging environmental issues such as changes in legislation.

DID YOU KNOW?

Australia Square is working with the Southern Sydney Waste Board and Waste Audit and Consultancy Services to minimise waste.



FACTS

- Australia Square generates over 3 tonnes of waste daily
- Nearly 40% of this waste can be recycled
- Australia Square tenants could save 38,000 reams of paper each year by double-side copying
- The "It's a Living Thing" television commercial campaign featured Australia Square.