



Creating enduring value through sustainability

October 2019



2030 Real Estate
Sustainability Strategy



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**A message from Chris Nunn,
Head of Sustainability, Real Estate,
AMP Capital**

At AMP Capital, we are committed to creating long term sustainable outcomes through our real estate assets, across our supply chain and in the communities in which we operate.

Through this commitment, we will ensure that:

- Our buildings are places where people love spending time.
- We encourage and support our people to do their best work with us.
- We care for the land we use while protecting and restoring natural habitats.

Enduring value is about creating long-term benefits for all, and in doing so, shaping a better future.

This is what drives the thinking behind our 2030 Real Estate Sustainability Strategy which we're pleased to present to you.

Image: Quay
Quarter Tower,
Sydney
Cover image:
Thomas Holt
Drive, Sydney



Enduring value for our stakeholders

For our investors

Our commitment to sustainability will create long-term value through better risk management, improved transparency and continuing to be a trusted partner.

For our customers

We will create places that people love to be in and ensure these places are highly efficient with best-practice facilities.

For our staff

We will be an organisation that our people are proud to work for and aligns with their personal values.

For our suppliers

We will build long-term partnerships that align with our goals, helping meet customer expectations and showcasing our achievements.

“ As a business, we recognise that sustainability initiatives help deliver value for our investors, improve customer experiences, motivate our employees and support positive outcomes in the broader community. ”

Carmel Hourigan,
Global Head of Real Estate,
AMP Capital



Image: 700 Bourke Street, Melbourne

Shaping a better future

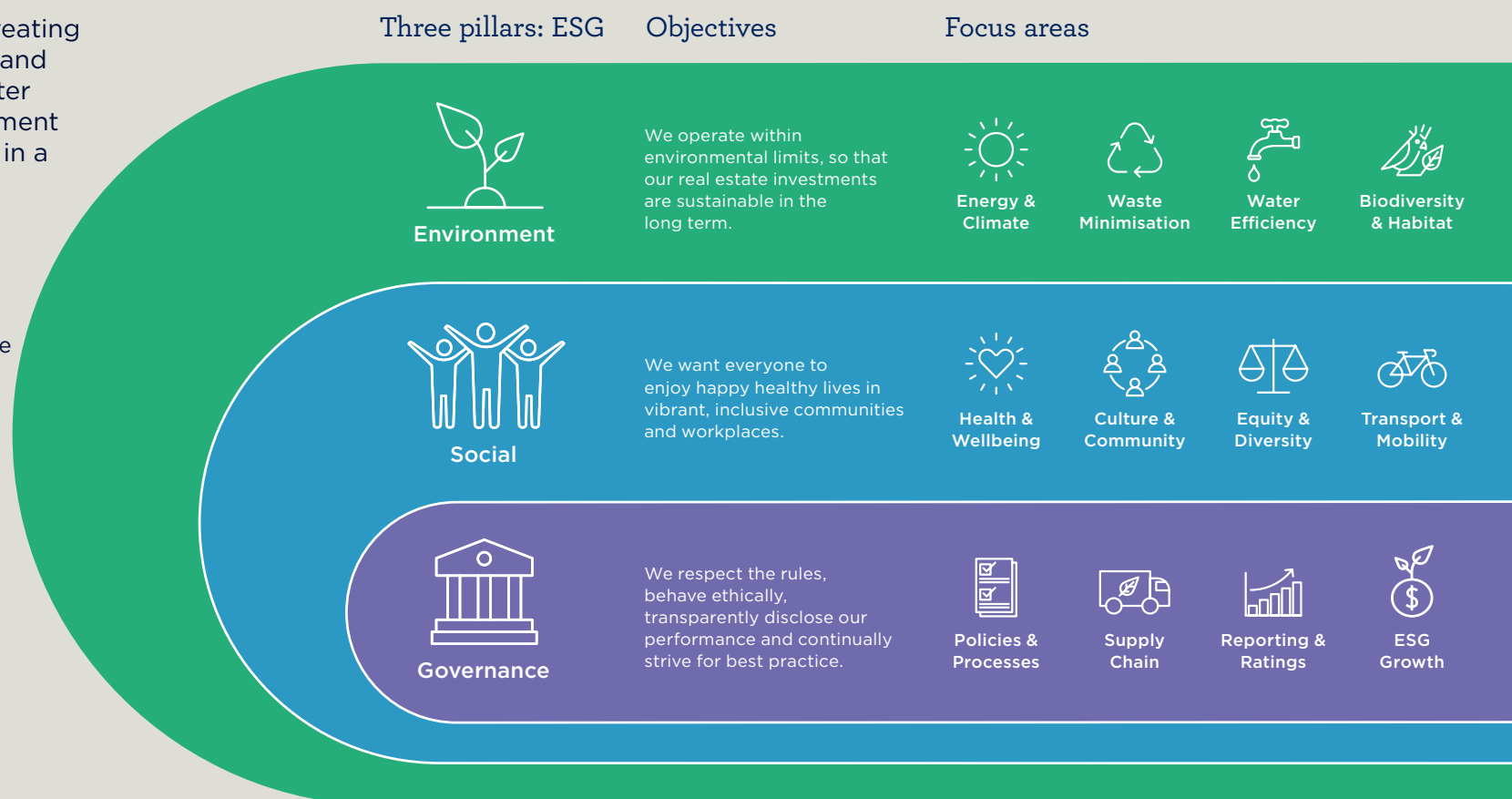
Creating enduring value through sustainability

Through our 2030 Real Estate Sustainability Strategy, we are striving to shape a better future to thrive in a changing landscape

Enduring value is about creating long-term benefits for all, and in doing so, shaping a better future so that our environment and our people can thrive in a changing landscape.

Through this strategy we are aiming to:

- Enhance value and minimise risk for our investors
- Deliver exceptional real estate experiences for our customers
- Perform in line with global best practices
- Develop our people's and partners' sustainability knowledge so they can be advocates
- Foster a culture which embraces sustainability as a genuine core value



Creating enduring value by 2030

Outlined below are the key Environment, Social and Governance (ESG) issues we are focused on addressing in order to create enduring value through our 2030 strategy.



Environment

Energy & climate

Zero Net Carbon

We are committed to all of our funds and assets becoming Zero Net Carbon by 2030 through phasing out fossil fuels, running on 100% renewable energy and making our buildings highly efficient and resilient.

Waste

Compostable packaging

We are committed to working to minimise waste to landfill and help keep plastic pollution out of the ocean by providing appropriate recycling resources and encouraging our retail tenants to choose reusable and compostable options.

Biodiversity

Conservation reserve

We are committed to creating a biodiversity conservation reserve that directly matches the physical footprint of our assets on the land.



Social

Community

Social sustainability plans

We are committed to establishing community partnerships that represent our goals and implement social sustainability plans at every asset.

Equity & diversity

Accessibility

We are committed to implementing best practice standards of accessibility, for our building users with a variety of special needs including physical mobility, but also hearing or vision impairments, mental health disorders or dementia.



Governance

Supply Chain

Modern slavery

We are committed to implementing processes to minimise ESG-related supply chain risk, implement consistent minimum sustainability performance expectations and strive for best practice in procurement on modern slavery, materials safety, sustainable timber and embodied carbon.



Left to right: Macquarie Park, 'Holt Honey' is home to about 50,000 honeybees. Angel Place, NAIDOC Week performers from Tribal Warrior dancers. A dog relaxes at the Bayfair Shopping Centre. 700 Bourke 461 solar PV panels generate 12% of the buildings electricity demand



Delivering on our strategy

An overview of our goals to 2030



Sustainability targets to be achieved by 2030

Environment

Performance metrics



Energy & Climate

\$ / m2 energy costs
 MJ / m2 base building energy consumption
 % NABERS Energy rating coverage
 Average NABERS Energy Ratings
 KgCO2e/m2 GHG emissions
 % of tenant energy data coverage
 % on-site renewable energy generation
 % renewable energy supply (via grid)
 % of sites converted to climate friendly refrigerants
 % with climate change adaptation & resilience plan



Waste Minimisation

\$ / m2 waste costs
 Kg / m2 of total waste generated (all types)
 % operational waste diverted from landfill
 % construction waste diverted from landfill
 Number of notifiable waste / pollution / contamination incidents
 Kg of e-waste collected & diverted from landfill

Sustainability targets and initiatives

1. Achieve Zero Net Carbon by 2030 (Scope 1&2)¹ and material Scope 3 emissions by 2040
2. Minimum efficiency of 5.5 Star NABERS Energy ratings for all Offices and 5 Star NABERS for Shopping Centres by 2030²
3. 100% of electricity to be sourced from renewables by 2030
4. Office and shopping centre developments and major refurbishments to achieve: 5.5 Star Energy for Offices using NABERS Commitment Agreements; and 5 Star NABERS Energy for Shopping Centres³ from 2020
5. Complete solar PV rollout on all viable rooves by 2027
6. Obtain or estimate tenant energy consumption for 100% of tenancies by 2022
7. Develop a peak demand management & storage strategy e.g. using generators or batteries by 2023
8. Electrification of buildings (phase out gas and diesel) by 2040
9. Transition to climate friendly refrigerants (zero ODP and GWP<100) and achieve 100% phase out of HFC refrigerants by 2040
10. Climate Change adaptation & resilience plans for every asset including physical climate change risk analysis and remediation strategy for all sites by 2022 & extend to cover broader resilience issues analysis for all sites by 2028
11. Continuous reduction in waste generation and improvement in recycling rates, aiming for 5% yearly improvement in diversion from landfill rates (up to a rate of 50% diversion from landfill, after which the target is to maintain and incrementally improve beyond 50% to be agreed asset by asset). All assets to achieve >50% diversion from landfill by 2030.
12. Facilitate a transition away from single use plastic packaging: we will pilot a requirement for food and beverage retailers to avoid single use plastic and use only reusable or fully compostable packaging at selected assets, including Quay Quarter Tower by 2022. We will implement measures at all assets to encourage customers and retailers to avoid single use plastic bags, plastic straws, plastic cutlery, plastic plates, and polystyrene foam packaging, and switch to reusable or compostable packaging alternatives by 2029, and we'll identify opportunities to use the compostable end product in our landscape planted areas.
13. Monitor and reduce construction & strip out waste: target 80% diversion by 2023
14. Regular e-waste collections at every asset by 2024

Sustainability targets to be achieved by 2030

Environment continued

Performance metrics



Water Efficiency

\$ / m2 water costs

L / m2 / day water consumption

% NABERS Water rating coverage

Average NABERS Water Ratings



Biodiversity & Habitat

% of total land area landscaped

% of landscaped area with native plants

m2 total land area of portfolio versus m2 of biodiversity reserve

Sustainability targets and initiatives

15. Achieve and maintain a NABERS Water portfolio area-weighted average of 4.0 Stars (Offices) and 3.5 Stars (Shopping Centres) by 2025
16. Implement minimum water efficiency standards by 2021
17. Deploy Internet of Things (IoT) enabled water meters to increase visibility of water consumption by 2024
18. Stormwater management plans in place at all sites by 2025 including provision for increased frequency and severity of storm events due to climate change
19. Biodiversity & habitat survey of all sites by 2022 to identify opportunities to create habitat that supports local biodiversity
20. Undertake habitat creation & biodiversity improvement at appropriate sites by 2026, including native plants and bees
21. Support the creation of a conservation reserve equivalent in area to the AMPCRE portfolio land area (~400ha) to help preserve endangered or threatened ecological communities by 2030

Sustainability targets to be achieved by 2030

Social

Performance metrics



Health & wellbeing

Employee Lost Day & Absentee Rates

% tested for Indoor Environmental Quality & pass rate

% of sites with wellbeing features

% of sites with a Wellbeing assessment / rating (e.g. FitWel)



Culture & Community

Charitable \$ raised & hours volunteered

% of staff completed sustainability training

No. of sustainability case studies

Tenant satisfaction survey coverage & response rate

% of sites with a social sustainability engagement

No. of community engagement activities

List of quantifiable social outcomes achieved

No. of industry engagement meetings/events attended

No. of local jobs created/supported

Sustainability targets and initiatives

22. Ongoing employee and contractor training in environmental, health and safety (EHS)
23. Continually improve EHS risk management process to minimise employee and contractor related incidents across our portfolio
24. Health and Wellbeing analysis of each asset by 2027 including needs analysis, goal setting, taking corrective actions, monitoring & formal ratings (e.g. FitWel) for selected assets, with improvement plans for all assets to include measures that address key wellbeing issues identified (e.g. wellness / sensory rooms, plants, acoustics, daylight, seasonally appropriate temperature set points) and align these with placemaking strategies
25. Deploy Indoor Environmental Quality (IEQ) Internet of Things (IoT) sensors with automated reporting visible to customers at selected office assets by 2025
26. Create a community partnerships strategy that is aligned to social need analysis and business drivers with identified ways to measure social outcomes achieved, to be coordinated by a new social sustainability role in place by 2021. Primary community partnership established by 2022. Local community partnerships to be tracked centrally to improve reporting of outcomes. Target 25/75 approach with ~25% of money raised / time donated to central cause and ~75% to local causes.
27. Sustainability training modules available for all staff and contractors by 2022
28. Sustainability engagement with all tenants annually
29. Sustainability working group established by 2020 to give staff an opportunity to support the execution of the strategy
30. Sustainability case study for every asset by 2023 including showcasing tenant sustainability initiatives through our website, social media and other channels to amplify their impact.
31. Continuous improvement in tenant satisfaction survey coverage, response rate and results
32. Develop a clearly defined social impact framework by 2022
33. All developments and assets to have social sustainability & stakeholder engagement strategies as part of Asset ESG Plans by 2024
34. Industry engagement: what we learn we will share through membership bodies (PCA, GBCA, BBP)
35. Develop a process to quantify local jobs created or supported by our assets and developments by 2023

Sustainability targets to be achieved by 2030

Social continued

Performance metrics



Equity & Diversity

- % of sites Disability Discrimination Act compliant
- % of sites with enhanced accessibility features
- % rated using Be.Accessible or equivalent
- % staff female (all levels)
- % staff female (level 5 and above)
- % of sites implementing RAP initiatives



Transport & Mobility

- Walking distance to public transport (train / tram / bus)
- % of sites with EV charging station/s
- No. of car parking spaces v GFA
- % with car share scheme on site
- No. of bicycle parking spaces, lockers, showers v m2 area

Sustainability targets and initiatives

- 36. Improve accessibility in our assets and own offices (aligned to best practice standards e.g. NZ "Be.Accessible") by 2026, including measures such as adult changing facilities, parent rooms, quiet rooms
- 37. No less than 40% of senior roles (Level 5 and above) to be women by 2022
- 38. Reconciliation Action Plan actions taken at every site by 2024
- 39. EV charging available at all relevant sites by 2025
- 40. Walking and cycling routes mapped and displayed on every asset's website by 2020
- 41. Bicycle parking provision at all sites by 2023 & best practice end of trip facilities

Sustainability targets to be achieved by 2030

Governance

Performance metrics



Policies & Processes

- % of sites with an Asset ESG Plan
- % of sites audited against ISO14001 in last 3 years
- Number & % of transactions using ESG Checklist
- % of developments with sustainability reviews during feasibility & concept design
- % of leases confirmed with Green Lease wording
- Number of current tenants on exclusion list
- % of staff completing risk training



Supply Chain

- % of supplier contracts with sustainable procurement wording
- No. & % of suppliers screened & audited
- % of sites assessed as clear of 'black' list materials
- % developments using 'green' list materials

Sustainability targets and initiatives

- 42. All Real Estate Funds have an ESG Strategy and all sites have an Asset ESG Plan to support the Fund ESG Strategy by 2020
- 43. ISO14001 certified Environmental Management System in place by 2020
- 44. Improve transactions ESG checklist & include climate risk assessment by 2021
- 45. Detailed ESG criteria in place and defined ESG review points for all development and major capital works projects by 2020
- 46. Green Lease clauses in place at 80% of tenancies by 2025 and 100% of tenancies by 2028 including access to tenant energy data.
- 47. Ethical Framework (tobacco & munitions) applied at all assets by 2020
- 48. Implement a sustainable supply chain policy, platform and audit process including modern slavery by 2021, materials safety by 2024 and extend to other material/significant supply chain sustainability issues by 2030
- 49. 100% of Tier 1 suppliers to have completed Supplier Self-Assessment Questionnaire by 2022; and a majority of significant Tier 2 suppliers by 2025
- 50. Develop and implement a 'black' list of banned substances, 'red' list of substances of concern and 'green' list of preferred materials by 2024
- 51. All development and AMPCRE controlled tenant fitouts to comply with sustainable materials requirements from 2026
- 52. All assets free / safe from hazardous materials by 2029

Sustainability targets to be achieved by 2030

Governance continued

Performance metrics



Reporting & Ratings

Portfolio Average GRESB score

UN PRI rating

% of sites with Green Star Design & As Built rating

% of sites with Green Star Performance rating & average score

% NABERS Energy & Water Coverage

Number of investor ESG surveys/queries/presentations per year



ESG Growth

\$ invested in ASRAF

\$ raised through Green Bonds

Sustainability targets and initiatives

53. Maintain & incrementally improve GRESB (Global Real Estate Sustainability Benchmark) & UN PRI (United Nations Principles for Responsible Investment) ratings
54. All new developments & major refurbishments to achieve 6 Star Green Star ratings for Offices and 5 Star for Shopping Centres from 2021
55. Green Star Performance ratings for all AMPCRE controlled assets by 2020, and at least a 3 Star portfolio average by 2026. Engage with co-owners to encourage Green Star Performance ratings for co-owned assets.
56. Transparent disclosure of our performance in an Annual Sustainability Report⁴, quarterly Fund ESG updates & regular investor ESG reporting & engagement
57. Commence reporting in line with TCFD (Taskforce on Climate-related Financial Disclosures) recommendations by 2025
58. Establish an AMP Capital Sustainable Real Assets Fund (ASRAF) with a mandate to obtain investment from new and existing clients with an appetite to invest in highly sustainable real estate assets with a social purpose by 2022
59. Green Bonds: explore opportunity for debt raising on green credentials of existing assets by 2023
60. Maintain a list of value creation opportunities associated with the transition to a sustainable economy from 2020.



For more information

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