


Environmental, Social, and Governance (ESG) Considerations in the Dexus Community Infrastructure Fund

July 2023



Perth Stadium



We recognise that ESG issues can impact the long-term performance of our infrastructure investment portfolios and consider them as a core component of our mainstream investment process. The Dexus Community Infrastructure Fund (CommIF or Fund) is pleased to publish its seventh comprehensive review of ESG related risks and opportunities within the portfolio.

The purpose of this report is to:

- Provide an overview of CommIF;
- Demonstrate how ESG considerations and mitigation strategies were considered in acquiring the Fund's investments;
- Demonstrate how ESG factors are monitored and managed in the various investments;
- Provide an update of the ESG initiatives and activities across the Fund's portfolio of investments; and
- Show an overview of how the Fund is structured and governed.

Macarthur Wind Farm

Macarthur Wind Farm (Macarthur) is one of the largest operating wind farms in the southern hemisphere and is comprised of 140 3.0MW Vestas V112 turbines totalling 420MW of capacity.

Dexus manages a 50% interest in the wind farm. CommIF owns 84% of that 50% interest. This interest is held in an unincorporated joint venture (UJV) whereby the Dexus managed 50% interest is separate from the interest held by the other 50% owners.

- Construction contractor – Leighton Contractors / Vestas
- Operations and Maintenance Contractor – AGL / Vestas

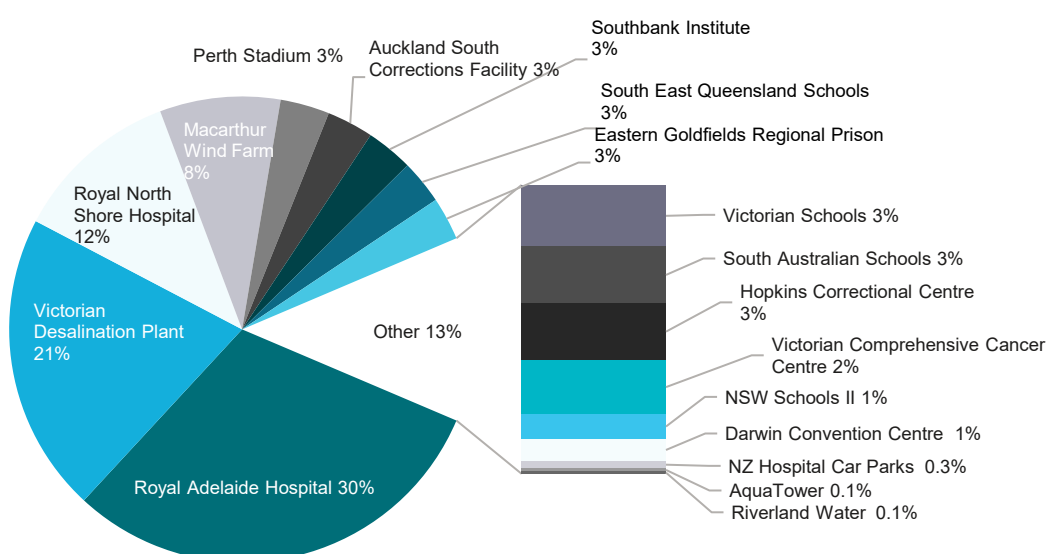
Dexus Community Infrastructure Fund

Darwin Convention Centre

The Dexus Community Infrastructure Fund provides investors with the potential for stable, long-term returns composed primarily of income through investment in a portfolio of social infrastructure assets across Australia and New Zealand.

The Fund holds 18 assets, which are invested under partnership arrangements with governments, government-owned entities, and counterparties with high creditworthiness, focusing on assets within education, health, water, justice, recreational facilities, transport, renewables, and other essential social infrastructure sectors.

The composition of the Fund assets as of 30 June 2023 is presented in the chart to the right. Figures are subject to rounding.



Investment	Sub-Sector	Location	Overview
Royal Adelaide Hospital	Health	Adelaide, SA	<ul style="list-style-type: none"> • Largest infrastructure project in SA and one of the most advanced medical facilities globally • 800 beds, 40 operating theatres, intelligent IT systems and a fleet of automatically guided vehicles
Victorian Desalination Plant	Water	Wonthaggi, VIC	<ul style="list-style-type: none"> • Rainfall-independent source of drinking water, capable of supplying up to 150 GL a year • Victoria's largest PPP project
Royal North Shore Hospital	Health	Sydney, NSW	<ul style="list-style-type: none"> • Tertiary referral hospital and a NSW trauma centre with a total of 800 beds • NSW's largest health PPP asset
Macarthur Wind Farm	Renewables	Macarthur, VIC	<ul style="list-style-type: none"> • 420 megawatt capacity windfarm • One of the largest of its kind in the Southern Hemisphere
Perth Stadium	Recreation	Perth, WA	<ul style="list-style-type: none"> • 60,000 seat venue catering to a range of sporting, entertainment and concert events
Southbank Institute	Education	Brisbane, QLD	<ul style="list-style-type: none"> • QLD's first PPP project, delivering redevelopment of the Southbank Institute of Technology • Provides vocational education and training facilities to over 12,000 students
Auckland South Corrections Facility	Corrections	Auckland, NZ	<ul style="list-style-type: none"> • 960-bed facility for inmates in South Auckland • Extensive rehabilitation facilities and programs for reintegration
Eastern Goldfields Regional Prison	Corrections	Kalgoorlie, WA	<ul style="list-style-type: none"> • 350-bed facility for male and female offenders across minimum, medium and maximum security ratings • Extensive rehabilitation facilities and job training
SEQ Schools	Education	Southeast QLD	<ul style="list-style-type: none"> • Portfolio of 7 schools in the growth corridor of South-East Queensland • Currently serving 7,300 students
Victorian Schools	Education	Greater Melbourne, VIC	<ul style="list-style-type: none"> • Portfolio of 12 schools in greater Melbourne • Currently serving 11,900 students
SA Schools	Education	Adelaide, SA	<ul style="list-style-type: none"> • Portfolio of 6 super schools in Adelaide • Provides education to over 5,200 students across primary, middle, secondary, special education and childcare
Hopkins Correctional Centre	Corrections	Ararat, VIC	<ul style="list-style-type: none"> • 798-bed facility with community-style accommodation • Quality rehabilitation and employment facilities
Victorian Comprehensive Cancer Centre	Health	Melbourne, VIC	<ul style="list-style-type: none"> • Australia's first dedicated cancer research and treatment facility, integrating research, education and patient care • Includes 160 inpatient beds, 110 day beds, 8 theatres
NSW Schools II	Education	NSW	<ul style="list-style-type: none"> • Portfolio of 11 schools in NSW • Serving over 6,200 primary and secondary students
Darwin Convention Centre	Recreation	Darwin, NT	<ul style="list-style-type: none"> • First PPP asset to be delivered in the Northern Territory • Attracted over 875,000 delegates since opening
NZ Hospital Car Parks	Health	Auckland, NZ	<ul style="list-style-type: none"> • Portfolio of over 4,400 hospital car park spaces at the two major hospital facilities of Auckland Hospital • Operated under a licence agreement with Te Whatu Ora Te Toka Tumai Auckland (Health New Zealand)
AquaTower	Water	North-West VIC	<ul style="list-style-type: none"> • 4 water treatment plants servicing 13,000 users in regional Victoria • Based in Ararat, Great Western, Halls Gap and Stawell
Riverland Water	Water	SA	<ul style="list-style-type: none"> • 10 water treatment plants along the Murray River, servicing 150,000 users • Owned under a BOOT contract with SA Water

Key highlights of the portfolio



Victorian Desalination Plant

The Fund's projects are significant contributors to the community.

Key highlights include:

- The world's largest Sustainability Loan in the healthcare sector, and the largest project finance Green/Sustainability Loan in Australia through investment in Royal Adelaide Hospital
- The largest financier of public schools after State Governments, with circa 40,000 students taught at our schools and TAFE facilities per annum
- One of the largest wind farms in the southern hemisphere, able to deliver the equivalent of 420 MW of renewable energy to power the equivalent of 188,000 Australian homes per annum
- Australia's largest water desalination plant capable of delivering up to 150GL of water per annum
- Australia's only public hospital dedicated solely to cancer research, with circa 900,000 patient treatments at our hospital facilities per annum
- Over 500 behavioural change programs delivered in our correction facilities each year
- Circa 2,000,000 guests hosted and entertained at stadium and convention facilities per annum

Victorian Desalination Plant

The plant is one of the largest seawater reverse osmosis plants operating globally, located on the coast near Wonthaggi, 132km South-East of Melbourne, the Bass Coast region of Gippsland, Victoria. The project is a vital piece of water infrastructure servicing Melbourne and its surrounding communities.

- Construction contractor: Thiess & Degremont
- Services contractor: Suez & Degremont
- Operations and maintenance contractor: Watersure
- Project stakeholders: AGL Energy & AGL Hydro partnership, AusNet, State of Victoria



Royal Adelaide Hospital

The 800-bed Royal Adelaide Hospital (RAH) is South Australia's flagship hospital, providing a comprehensive range of clinical care to an estimated 85,000 inpatients and 400,000 outpatients each year. RAH is one of the most technologically advanced hospitals in Australia and reflects international best practice. Construction was completed in 2017 and ongoing operations involve Dexu staff performing roles as directors on the SPV board, providing governance, oversight, and bringing to bear our social infrastructure and hospital expertise to the investment management and operational management of the project.

- Construction contractor: Hansen Yuncken / CPB Contractors joint venture
- Services contractor: Downer, DXC
- Project stakeholders: SA Health, Central Adelaide Local Health Network

Pre-investment approach

When originating new investment opportunities, we apply both a qualitative and quantitative approach in assessing the risks, opportunities and potential impact of ESG issues. ESG issues are considered in the very early stages of investment analysis and addressed throughout the investment approval process.

Stage 1 Opportunities Pipeline

The investment team produces and maintains a proprietary database of investment opportunities. The team regularly meets and reviews the status of transactions that are underway.

The investment team also produces an opportunities pipeline report. This report provides an overview of investment characteristics, deal metrics, key investment risks and status of each opportunity.

ESG risks are included in the key investment risks sections and are sector or transaction specific, dependent on the status of the deal.

Stage 2 Concept Approval

A concept paper for a potential acquisition is prepared for the Infrastructure Investment Committee and contains a list of transaction specific ESG issues that the investment team will explore during detailed due diligence.

The concept paper also includes a nominated ESG work stream leader and identification of any ESG resources required during due diligence. This may include collaboration with, or secondment of internal expertise. It may also identify specialist external consultants to undertake this diligence activity.

Stage 3 Due Diligence

Following concept approval, the investment opportunity is taken through an exhaustive process of due diligence. Given the complex nature of infrastructure transactions, the infrastructure team may appoint external advisors where specialist skills or technical knowledge are required. These external advisors may include engineering or environmental consultants.

The ESG work stream leader is responsible for allocating transaction specific ESG issues and drawing a conclusion on ESG due diligence.

The outcome of ESG diligence is to price, transfer or monitor any ESG risks associated with the transaction. This could include:

1. Pricing the ESG risk into the acquisition model;
2. Transfer accountability to manage specific ESG factors to a party best placed to manage the risk; or
3. Monitor ESG performance for lead indicators.

The infrastructure team believes the process of quantifying the financial impact of ESG risks provides a greater appreciation of commercial significance. It also provides for the sustainability of business operations.

Our investment team has sought to continuously improve the way in which we incorporate quantitative analysis into our investment process.



Stage 4

Final Approval

A detailed investment paper is presented to the Infrastructure Investment Committee for final approval. This paper provides conclusions from ESG due diligence and the methodology to price, transfer or monitor the ESG issues. Pricing sensitivities on specific ESG issues are presented to provide transparency of their commercial relevance.

An explicit strategy to mitigate all material ESG risks through our price, transfer or monitor approach, is provided in the investment paper for final approval.

Stage 5

Completion Noting

Subsequent to financial close, a completion paper and investment pack is compiled for future reference.

The investment completion paper must be submitted to the Infrastructure Investment Committee within 28 days of transaction completion.

The investment pack contains all due diligence research and data room materials, internal approvals and documentation associated with the transaction. All ESG due diligence materials are retained within this pack.

Modern Slavery

The protection of vulnerable people is of the highest importance. CommIF's investments engage top tier, reputable contractors that provide a greater degree of reliability and transparency in service provision and compliance with the law and sound industry practice.

These third-party entities are typically large enough to be captured by the legislation and required to report on their own performance. The processes and procedures of our counterparties are a key risk mitigant in ensuring compliance with the requirements of modern slavery legislation.

Climate Change

Climate change poses a range of physical, transition, financial, and legal liabilities to our businesses and investments we manage on behalf of our investors and wider community.

For this reason, we look to take appropriate measures to reduce our impact on the environment through responsible investing and climate change initiatives across the business.



Royal North Shore Hospital

Post Investment Approach

We continuously review the materiality of specific ESG issues within our portfolio to ensure strong risk management and engagement with our project counterparties.

Active Ownership and Asset Management

The infrastructure team places a strong emphasis on the active management of its infrastructure assets. Transparency and influence of ESG performance is typically achieved through board representation, CEO and senior management dialogue, strong relationships and contractual arrangements with third-party operators.

Each infrastructure investment is assigned a dedicated asset manager whose responsibilities include ESG monitoring and management.

Board Representation

CommIF usually has majority or 100% ownership positions and therefore directly influences the board. Board representation allows the team to play a direct and active role in monitoring, assessing and influencing the operational, financial and ESG performance of our investments. Board members are responsible for ensuring ESG issues are considered in the context of operational performance, corporate strategy and broader stakeholder relationships.

Board representation also ensures strong governance and enforcement of legislative compliance. This includes approval of risk management frameworks for investments, and the implementation and assembly of sub-committees with appropriate terms of reference for their purpose.

Board representation is shared amongst senior members of the infrastructure team and external appointees who have the necessary industry experience and skill.

All Dexus infrastructure nominee directors have completed the Company Directors Course, run by the Australian Institute of Company Directors (AICD). Ongoing AICD membership requires directors to maintain a level of Continuous Professional Development.

Through this, directors can ensure that they are up to date on changes to regulations affecting their role as a director and evolving community expectations.

Examples of evolving expectations and practice include:

- modern slavery and anti-bribery laws;
- whistleblowing;
- board reporting and board minutes;
- privacy, cybersecurity, and intellectual property;
- environmental law and climate change;
- social governance;
- strategy development and execution;
- disruptive innovation, global risks, interdependency and contagion;
- WHS, wellness, and discrimination;
- stakeholder interests and remuneration; and
- solvency related matters and continuous disclosure.

Work Health & Safety and Modern Slavery Assurance

Nominee directors for each asset provide a confirmation to the Responsible Entity (RE) board that their asset companies and contractors manage and maintain an appropriate Work Health & Safety (WHS) Framework and are compliant with relevant legislation. This confirmation to the RE board also reports any significant incidents and is submitted on both a quarterly and annual basis.

Nominee directors for each asset also provide an annual assurance that their asset companies and contractors are compliant with appropriate Modern Slavery Acts.

This internal infrastructure governance step is in addition to the direct responsibilities of the boards of the investee companies to ensure WHS and modern slavery related matters are managed and monitored effectively.

Third Party Operators

PPP projects typically consist of a project company that is a Special Purpose Vehicle (SPV), that assumes the risk and responsibility for designing, building, financing, operating and insuring the asset. This is done under the terms of a concession agreement that is a contract with the public sector body; and a corresponding contract with the third-party subcontractors that operate and or maintain the project on a day-to-day basis.

While most economic infrastructure assets have their own board and in-house management team to address corporate and operational issues, on many occasions there is no permanent management team in place for social infrastructure assets. The major obligations and risks of the SPV are passed down contractually to its sub-contractors that are the construction and facilities management companies for the project.

The role of the SPV manager is to ensure that the operational, maintenance and facilities management services delivered by

the third-party operators / sub-contractors are in accordance with the Key Performance Indicators (KPIs). These activities include routine cleaning, reactive maintenance and periodic asset renewal and replacement – from painting and landscaping to replacement of mechanical plant and equipment such as air conditioners and furniture.

Monitoring of ESG related activities is facilitated through standardised reporting, site visits and inspections by the SPV manager and regular forums with stakeholders to progress ESG activities and initiatives for each of the underlying assets.

A key strength and competitive advantage of CommIF is that the SPV management team are generally employees of Dexus, who are measured by the performance of the asset as well as the Fund's overall performance and return to investors. This creates an alignment between the team and Fund performance – this is a key point of difference for CommIF when compared to other social infrastructure managers in the market.

Ongoing relationships with relevant government agencies, lenders, contractors and service providers support the team in achieving economies of scale that can financially benefit the Fund. CommIF typically has multiple projects with various top tier sub-contractors and service providers. This allows CommIF to take a portfolio view to ensure improved service delivery and pricing through increased governance and escalation processes with the use of single providers across multiple assets.

Periodic ESG Appraisals

ESG factors and management practices are appraised on an asset specific basis. Evaluation conclusions are incorporated into investee company dialogue, co-investor engagement, budgeting, valuation and asset management practices.

While ESG appraisal outcomes are typically focused on improved transparency and risk management, strategic propositions may also be developed where opportunities exist to leverage ESG factors for improved profitability.



SA Schools

Environmental

Pre-Investment

Ensuring that assets are compliant with environmental protection obligations is of paramount importance.

Our acquisition due diligence focuses on ensuring environmental compliance. This is a focus at acquisition, as well as being able to ensure ongoing compliance.

Our pre-investment due diligence is also evolving. We are moving to look for opportunities to improve and enhance environmental outcomes at the asset level. As environmental regulations and reporting also increase, our pre-investment assessment will take into account the level of maturity of an asset's monitoring and reporting of key environmental factors surrounding the operation of the asset.

Where assets are subject to regulations relating to environmental protection, the Fund may be liable for non-compliances. Liability may arise for the cost of investigation and monitoring, as well as correction or remediation of any non-compliances.

CommIF focused on the following due diligence of environmental design and factors prior to investing in these assets.

Royal Adelaide Hospital

One of the focus areas of our due diligence was around the Royal Adelaide Hospital (RAH) as a green project. The RAH was awarded a four star green building rating in the Healthcare – As Built category by the Green Building Council of Australia. This was in recognition of the RAH's sustainable design and construction, as well as its operation and fit out.

Also noted in the RAH's sustainability loan, covered elsewhere in this report, the key sustainability elements of the RAH are:

- Water conservation through rainwater harvesting for non-potable use;
- Energy efficient fittings;
- The use of responsible materials, including low-VOC paints, flooring and acoustic insulation;
- Water sensitive landscape design that minimises total irrigation demand; and
- Water and power metering to track and report consumption.

The sustainability elements of the RAH support the SA Government's broader initiative to transition into a net zero emissions economy while providing hugely improved amenities for patients, visitors and staff. Optimising natural daylight not only boosts energy efficiency by reducing demand for artificial light, but also improves the quality of the indoor environment for everyone at the hospital.

Victorian Desalination Plant

AquaSure was contracted by the Victorian State Government to finance, design, build, operate and maintain the Victorian Desalination Plant. AquaSure does not own the water produced by the plant. AquaSure desalinates seawater at the request of the State Government for delivery to Melbourne Water and other authorities, with the quantities specified each year by the Government.

The due diligence on the sustainable design elements and resource efficiencies showed that:

The design fully integrates the built form with the landscape making the plant barely visible from all public viewing points;

- The plant is energy efficient and uses world leading energy recovery devices in the reverse osmosis process to significantly reduce power consumption below the target specification; and
- The 225 hectares of land surrounding the plant is fully rehabilitated into one of the largest ecological restoration projects ever undertaken in Victoria. The restoration includes over 3.5 million new plants and 150,000 trees, a constructed dune system and the creation of wetlands, coastal and swampy woodlands, and a new habitat for local fauna.

The plant has capacity to provide 150 GL per year of drinking water to the greater Melbourne area. The process is divided into three process lines, or trains, each with a capacity of 50 GL per year.

The CommIF team tasked Kellogg Brown & Root with reviewing relevant project documents, conducting a guided site visit and management interview providing commentary on the status of the plant, operations and maintenance. The outcome of the review was a detailed technical due diligence report that detailed key technical risks and how they are managed to ensure compliance.

Macarthur Wind Farm

Macarthur had a range of significant environmental requirements that were placed on the project as a part of the original project approval. Our due diligence included a review of these obligations through legal and technical due diligence, to ensure that they were met and certified as a part of the completion of the wind farm.

Macarthur delivers enough clean energy to power the equivalent of 188,000 homes every year.

Darwin Convention Centre

The Centre's design elements include large eaves and overhangs to create a 15% savings on air-conditioning consumption and over 70% of the drainage pipework is constructed from recyclable materials in place of Polyvinyl Chloride (PVC). These recyclable materials are significantly stronger, resulting in lower risk of breakages and reduced risk of soil contamination.

SEQ Schools

The project was designed to take account of a range of environmental design features including:

- Northern orientation of the building to optimise winter heat and reduce summer sun;
- Inclusion of sun screens to allow passage of cooling breezes and filter out sun and glare;
- Harvesting of stormwater for irrigation and toilet amenities;
- Application of electrical monitoring technology to reduce energy use by pragmatic actions such as automatic lights and service shutdowns; and
- Smart metering to measure energy generated by the solar panels, the amount of energy being consumed by each school and the resulting reduction in greenhouse gas emissions. The smart meters help educate students about energy efficiency so they can take what they have learned back to their homes and communities.

The design features of the project resulted in the schools achieving a 4 star as-built green building rating, with Coomera Rivers State School achieving a 5-star Green Star – Education Design v1 certification. It was the first state school nationally to achieve this certification.

Perth Stadium

The stadium is a state-of-the-art multi-purpose facility that accommodates a wide variety of sports and entertainment activities.

In July 2019, it was awarded the Most Beautiful Sports Facility in the World at the Prix Versailles international architecture awards, and in 2022, was awarded global Venue of the Year at TheStadiumBusiness Awards.

The design includes many environmental features both within and outside the stadium, including:

- The site was previously a municipal rubbish dump for both industrial and domestic waste. The design included remediation and installation of a site wide barrier membrane to prevent waste contamination;
- The design intent was to rehabilitate the site and address erosion issues at the adjacent Swan River. Extensive testing and monitoring of landfill gases, surface water, groundwater, air quality, and soil quality were all performed throughout construction;
- The surrounding grounds are extensive and provide nature playgrounds, boardwalks and amphitheatre, picnic and BBQ areas, and extensive public art with a strong Aboriginal cultural display;
- Designed with public transport being the primary transport method to access events. Three major public transport options were built in conjunction with the Stadium – the Perth Stadium Station which provides train access directly to the stadium; on site bus stations servicing major Perth suburbs; and a Swan River footbridge connecting the Stadium to the CBD via public walkways. Private car parking is intentionally very limited;
- The stadium was designed to exceed Individuals Requiring Universal Access (IRUA) with IRUA seating throughout, over 60 Universal Accessible Toilets, 3 Changing Places toilets and 450 wheelchair positions; and
- The stadium design includes a lightweight roof to respond to Perth's climatic conditions, unique bronze façade and state of the art LED lighting system.

SA Schools

The project is an investment in six newly-constructed schools in Adelaide. It caters for over 5,200 children in primary, middle, secondary, special education and child care centres.

- Construction Contractor: Hansen Yuncken
- Services Contractor: Downer
- Project Stakeholder: Department For Education



Southbank Institute

Southbank Institute provides vocational education and training facilities to over 12,000 students and is the first PPP delivered in Queensland.

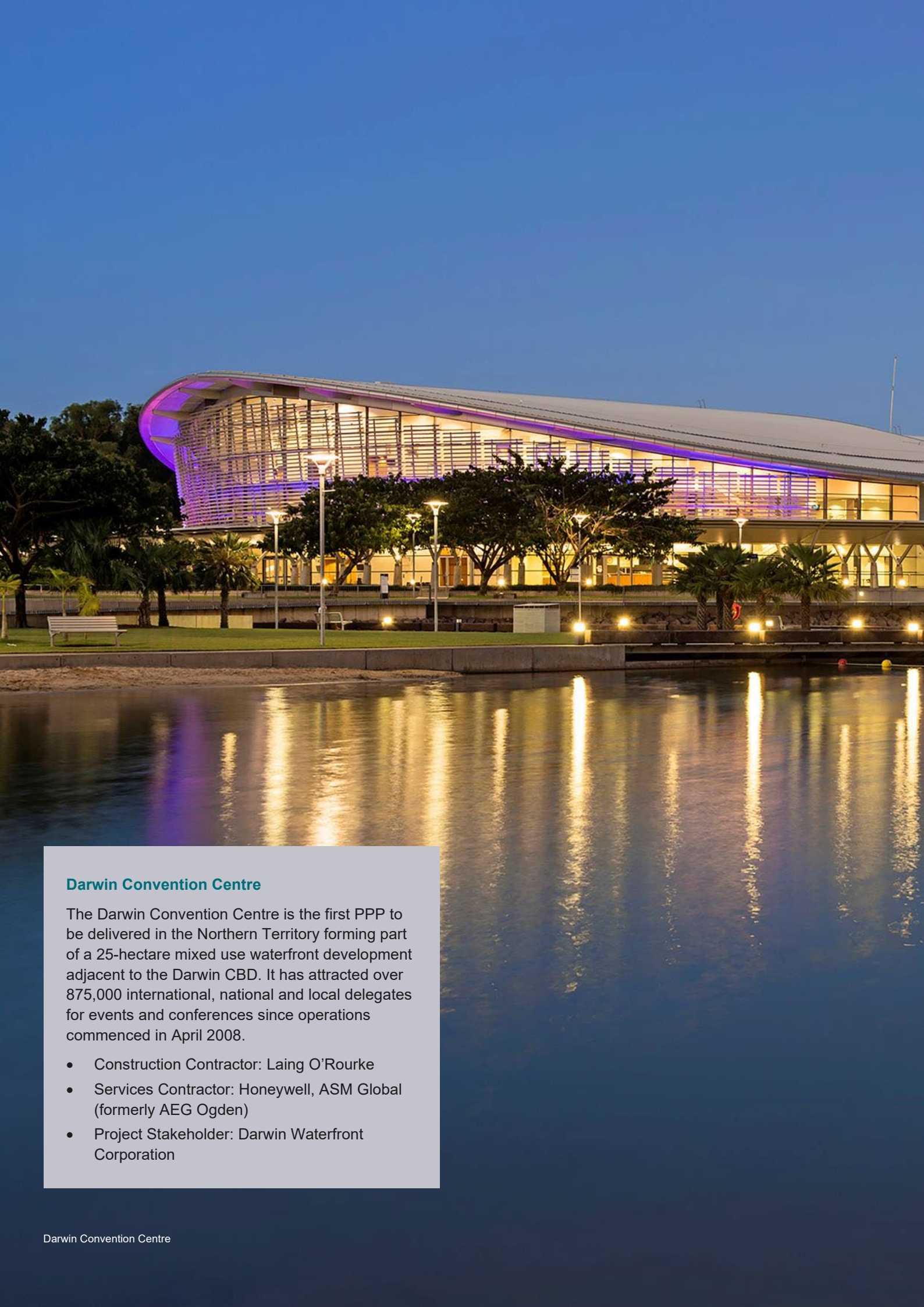
It involved the redevelopment and ongoing maintenance of the facilities of the Southbank Institute of Technology.

The project involved consolidating 14 buildings and refurbishing the newer buildings.

- Construction contractor: John Holland
- Services contractor: Downer



Southbank
Institute of Technology



Darwin Convention Centre

The Darwin Convention Centre is the first PPP to be delivered in the Northern Territory forming part of a 25-hectare mixed use waterfront development adjacent to the Darwin CBD. It has attracted over 875,000 international, national and local delegates for events and conferences since operations commenced in April 2008.

- Construction Contractor: Laing O'Rourke
- Services Contractor: Honeywell, ASM Global (formerly AEG Ogden)
- Project Stakeholder: Darwin Waterfront Corporation

Environmental

Post Investment

The Fund is continuously monitoring and managing the following environmental factors and initiatives as part of the ongoing asset management process to ensure strong environmental risk management.

Royal Adelaide Hospital

In 2021, the RAH was the:










- First healthcare sustainability loan globally;
- First sustainability loan in Australia;
- Largest health care ESG labelled loan in the Asia Pacific; and
- The largest project finance ESG loan in Australia.

The RAH was able to secure a green loan in recognition of the project's investment in sustainable infrastructure, as well as the world class health care and social services that the RAH provides to the people of South Australia.

Sustainability loan credentials are based on aligning to the eligible project categories within the Loan Market Association's Green Loan Principles and Social Loan Principles.

The \$2.15 billion loan was successfully refinanced in June 2023 and extended through to 2027. The innovative financing structure highlights the RAH's commitment to environmental and social benefits and earned the RAH an additional credential of being the first organisation in Australia to achieve both Green and Social Loan status.

Linkages to the Sustainable Development Goals

Project Category	Sustainable Development Goals (SDGs)	SDG Targets ¹
Green Buildings	   	<p>7.3 – energy efficiency</p> <p>9.4 - upgrade infrastructure and retrofit industries to make them sustainable</p> <p>11.6 – reduce environmental impact of cities</p> <p>11.7 – universal access to green spaces</p> <p>13.2 – integrate climate change measures into planning</p>
Access to Essential Services – Healthcare	   	<p>3.4 – reduce premature mortality from non-communicable diseases</p> <p>3.8 – achieve universal health coverage</p> <p>9.1 – develop quality, reliable, sustainable and resilient infrastructure to support human wellbeing</p> <p>10.2 – empower and promote the social, economic and political inclusion of all</p> <p>11.5 – significantly reduce the number of deaths and the number of people affected by disasters</p>
Access to Essential Services – Teaching		<p>4.4 – substantially increase the number of youth and adults who have relevant skills</p> <p>4.A – build and upgrade education facilities that provide safe, non-violent, inclusive and effective learning environments for all</p>

1. Abbreviated descriptions of the SDG targets. For full descriptions of the underlying targets, refer to: <https://www.un.org/sustainabledevelopment/>

Riverland Water

CommIF and Riverland Water worked with the client, SA Water, to place solar panels at some of the water treatment plants. This forms a part of SA Water's Zero Cost Energy Future (ZCEF) plan, to allow SA Water to provide for all of its energy costs at no cost across the State. CommIF and Riverland Water were proud to assist SA Water with this important initiative to reduce emissions and reduce costs to consumers.

Darwin Convention Centre

The Darwin Convention Centre has implemented a number of environmental initiatives at the centre, including:

- Significant waste storage facilities have been installed with the ability to separate all recyclable material. We have contractors in place to regularly service these recycling initiatives; and
- Light-emitting Diode (LED) lights have also been installed in back of house areas and are in the process of being installed in the basement carpark.

SA Schools

SA Schools has an ongoing monitoring and reporting regime that captures volumes of waste and recyclables at each of the sites. This is an important cost driver for our subcontractor, Downer, as reduced waste and reduced material needing to be recycled lowers costs. It is also an important learning tool for students in efforts to reduce our environmental footprint and better manage resources.

Victorian Schools

Recycling and waste programs exist across the schools to reduce waste and improve resource recovery. The

facilities management subcontractor has worked with the school and canteen operator to ban certain products being sold in the canteen, such as items with plastic wrappings in order to reduce single use plastic and overall waste. In addition the facilities management subcontractor is in the process of transitioning onsite equipment to be battery operated, decreasing omissions and noise pollution across the site.

Additional shade sails, blinds and tinting solutions have also been installed in recent years, to improve thermal comfort in the buildings, without the need to revert to air conditioning, saving on costs and emissions.

Royal North Shore Hospital

InfraShore, in consultation with Ventia as the services contractor has undertaken the following energy and water initiatives to support a reduction in carbon emissions and broader sustainability goals at RNSH:

- LED lighting was upgraded in 2022 across all levels of Douglas Building, Chapel and P1 multi-storey car park. This included emergency lighting systems with energy saving measures;
- Lifecycle replacement of traditional fluorescent lighting to LED lighting across all buildings. The target completion across campus is by 2027;
- Rooftop solar energy system has been installed on Douglas Building with 100kw solar PV capacity;
- ASB buildings HVAC chilled water plant was optimised to reduce environmental energy consumption while maintaining performance energy output; and
- Water efficiency improvements were observed through upgraded control optimisation. Condenser water make-up used in HVAC

systems reduced the total consumption required to operate and overall volume of wastewater produced into sewerage system.

In consultation with key stakeholders, Ventia, as the services contractor, has commenced energy saving initiatives on site by modifying lighting control schedules within the Community Health Building. Stemming from staff survey reviews, a pilot model was introduced across multiple floors with COVID-19 hybrid working showing a trend of occupancy space reduced.

The Northern Sydney Local Health District has acknowledged a project opportunity through InfraShore and the CommIF team to install solar photovoltaic (PV) systems across the roof area of Clinical Services Building. The roof space is of a rectangular flat shape with minimal impact to alternate building services located in the precinct.

InfraShore and Ventia have proposed installing electric vehicle charging stations to support the delivery and rollout of NSW Health's electric vehicle fleet in late 2023.

Southbank Institute

The CommIF team facilitated an agreement between Downer and the QLD State Government to install a 99.84kW solar power system that aims to cut 160 tonnes of carbon dioxide emissions per year. Four inverters and 384 frameless panels were installed in December 2016 and the electricity usage at Southbank campus decreased by 19% from the previous year.

Several thousand lightbulbs have been replaced with high efficiency LED alternatives. This has delivered a reduction in electricity consumption and substantially improved customer experience through less frequent bulb replacement and enhanced lighting. This has further been

advanced by the introduction of individually controlled passive infrared sensors and sensor-initiated car park lighting. These initiatives delivered a payback period on energy alone in just over 12 months.

Further, Downer recently supported TAFE Queensland's fleet rollout of electric vehicles by completing modification works to support EV charging infrastructure within F Block basement car park. According to QFleet (the fleet manager for the Queensland Government), TAFE Queensland, Brisbane Region is the single biggest driver of EVs in government, accounting for 38 per cent of EVs provided by the Queensland Government.

SEQ Schools

The CommIF team and Ventia worked closely with the State on project managing the installation of rooftop solar across the seven schools, installing 1,516 solar panels to generate 946MWh of renewable energy per year. This was in support of the Department of Education and Queensland Government's "50% renewable energy goal by 2030".

Other initiatives being implemented by Ventia across the project include:

- Progressive upgrades to LED lighting under its lifecycle program;
- Switched to new supplier of carpet under its lifecycle program, an Australian company with carpet that is recycled at the end of its life;
- Progressively switching mobile, fossil fuel equipment such as mowers and blowers to battery operated units;
- Reviewing viability of lifecycle replacement of playground softfall with recycled rubber from shredded and coloured old tyre rubber.

Eastern Goldfields Regional Prison

The CommIF team has prepared and taken forward a proposal to the State to provide for reduced energy consumption and provide amenity to staff by way of a covered staff car park structure with a solar panel roof, and electric vehicle charging stations.

Other initiatives being implemented by Ventia across the project include:

- In 2021, Honeywell replaced the floodlights in the metalwork and woodwork workshops with energy efficient LED lighting- 200w Pierlite HighBay lumens, replacing the former 400w MH

lamps. Approximately 35 fittings were replaced with a 50% reduction in power usage in these areas.

- Honeywell is investigating installing energy efficient LED lighting to the facility buildings externally as an initial phase of a site wide upgrade. Works are indicatively planned to commence in July 2023.
- In 2021, Honeywell installed its "Forge" system which is an enhanced Building Management and Maintenance System. Through the implementation of this system, Honeywell are able to monitor and reduce air conditioning consumption through enhanced controls coupled with early detection of out of parameter operations.
- Honeywell Onsite Security Technicians use the Real Wear headsets for remote troubleshooting with colleagues. Further to this, MS Teams video conferencing is utilised regularly for remote support to its online systems and security. This significantly reduces the requirement for technicians to travel to EGRP.

Social

Pre Investment

The Fund's focus on investments in social infrastructure assets considered a range of due diligence items on social and stakeholder aspects prior to investing.

Royal Adelaide Hospital

One of the focus areas of our due diligence was around RAH as a social project. RAH is a key component in the social fabric of South Australia, and continually works to meet the needs of all patients and visitors. RAH services those from metropolitan Adelaide, culturally and linguistically diverse backgrounds, rural and remote locations, and interstate and international visitors in order to provide the best possible care. Indigenous Australians within the service area of the hospital are identified as a specific service focus population for the RAH. RAH's Aboriginal and Torres Strait Islander Liaison Unit works to raise awareness and advocate on behalf of Aboriginal and Torres Strait Islander patients within the hospital to assist in providing culturally appropriate services and to achieve positive health outcomes.

RAH also provides access to essential education services, as RAH is South Australia's largest accredited teaching hospital. RAH plays a critical role in research and education through its partnerships with the South Australian Health and Medical Research Institute, the University of Adelaide, Flinders University, and University of South Australia.

These features were also key elements in RAH securing a Sustainability Loan in 2021.

Auckland South Correctional Facility

The facility has a significant set of programs in place to assist prisoners upon their reintegration into society. The facility has a range of opportunities for inmates to attain recognised qualifications and to assist with employment opportunities post release. Opportunities for future employment can assist with a reduction in reoffending rates.

The project also has an incentive payment that the operator, Serco, is able to achieve if they are able to reduce reoffending rates of former inmates. This incentivises the operator financially to implement effective programs for inmates that reduces pressure and costs on the justice system and works to improve communities and society.

Royal North Shore Hospital

CommIF's acquisition due diligence identified a range of contractual disputes and claims between the builder, operator and client. The team undertook an extensive program of analysis on the technical and legal aspects of the issues.

Our due diligence also included key stakeholder meetings to determine the willingness of the parties to resolve issues on a best-for-project basis, stabilise operations and ensure effective long term operational, contractual and financial performance for all parties.

These historical issues primarily relating to governance were considered to be items that were able to be solved, with a plan put in place to resolve issues of operational implementation and original service specifications that did not work for either the client or the operator.

The hospital forms a key part of the local economy. It is a major tertiary teaching hospital through which many new medical professionals obtain qualifications to provide key public health outcomes to society.

Victorian Desalination Plant

Due diligence on SUEZ and Ventia, the operations and maintenance contractors for the plant, identified their strengths as leading service providers in their field. Their experience in water treatment solutions and facilities management respectively, provided comfort to CommIF that the project would operate effectively for the concession term.

An important aspect of the project is that almost all of the employees at the plant are local residents. The plant provides long term skilled employment opportunities for local residents in a regional area and ensures that the plant itself is seen as a part of the social fabric of the region. Local employment opportunities have a flow on effect to other parts of the local economy and the region, providing long term benefits to nearby communities.

Eastern Goldfields Regional Prison

Operations at EGRP focus on delivering rehabilitation programs that assist prisoners address issues relevant to their offending behaviours. The facility includes a range of technology and passive design solutions that promote an open and healthy environment whilst ensuring safety and security of staff, visitors and prisoners.

The design approach was based on key themes of people, landscape, activity, process and context. This was achieved through regular user group meetings in the design, construction and operation phases. Key stakeholders in this process included the Goldfields regional community and local Department of Justice (DoJ) staff.

Some of the key initiatives that have been incorporated into the project include:

- An open campus style masterplan designed around a central Civic Centre. This includes open thoroughfares that are reflective of Kalgoorlie's wide streets;
- An innovative cell design that provides a larger cell with two beds on the ground instead of traditional bunk beds. This was

delivered at no additional cost to the client. This solution was a result of feedback during Aboriginal design consultation sessions that indicated a strong preference for beds on the ground.

- A culturally sensitive secure perimeter design consisting of two mesh barriers and associated technologies, allowing for uninterrupted views of the country. These views reduce the sense of enclosure which is recognised as having an adverse impact on Aboriginal people in custodial environments; and
- A culturally sensitive landscape design was used, planting local native vegetation and allowing fire pits where bush tucker can be prepared and ceremonies can be performed. This was important to reflect the natural environment and support the maintenance of Aboriginal identity.

The project is also estimated to provide significant economic and employment opportunities in the Kalgoorlie-Boulder region through local employment and the use of local suppliers and subcontractors.

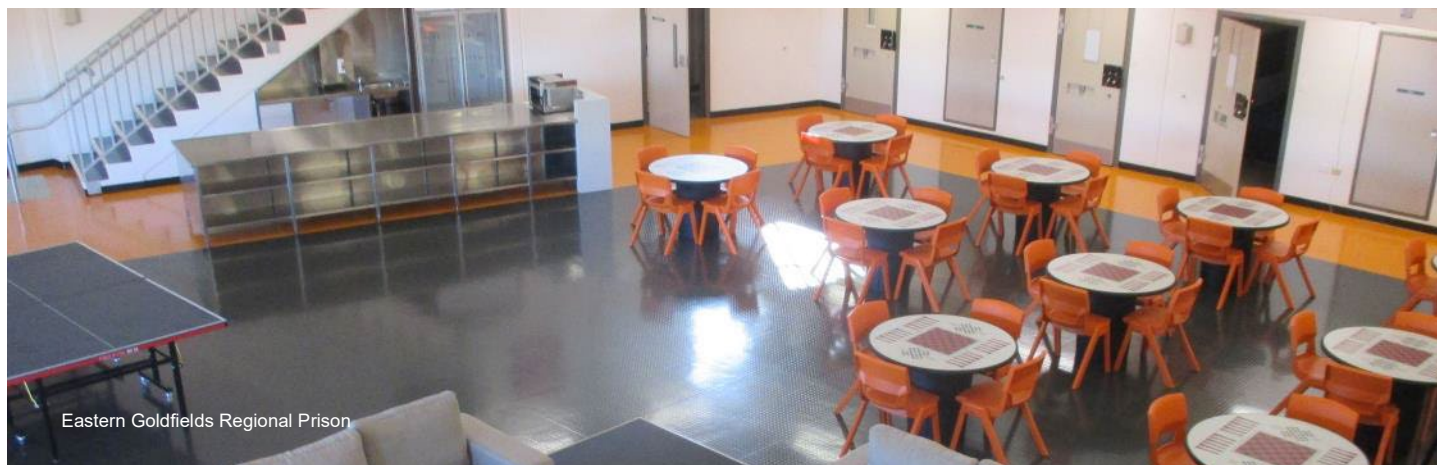
Southbank Institute

The Southbank Education and Training Precinct PPP Project was conceived with a shared vision, to maintain and develop a learning environment that facilitates a world class educational experience for both educators and students.

The collective goals of stakeholders are captured under a Project Charter that includes a strong commitment to innovation and sustainability, and the aim is to make the buildings and facilities at Southbank campus smarter, safer and more efficient.

The partnership takes an inclusive approach with all stakeholders involved in the strategic planning of the consortium's service delivery obligations. Stakeholders from TAFE are actively encouraged to identify and participate in strategic and operational service delivery initiatives.

Project stakeholders have an annual strategic planning session to discuss and agree a suite of shared partnership objectives across Safety, Environment, People, Quality, and Delivery for the next 12 months. Periodic review of these initiatives and changes occurs with the same group, to track progress against these objectives, and are tailored along the way to ensure strategic outcomes are still achieved.



Eastern Goldfields Regional Prison



Eastern Goldfields Regional Prison

The Eastern Goldfields Regional Prison Redevelopment is in partnership with the Western Australian Government and involves the design, construction, commission, finance and facilities management of a 350-bed prison facility and associated infrastructure replacing the previous 100-bed facility

- Construction Contractor: John Holland and Pindan JV
- Services Contractor: Honeywell
- Project Stakeholder: Department of Justice



Royal North Shore Hospital

The Royal North Shore Hospital and Community Health Services PPP project was established in 2006 with c.800- beds and located less than 6km from the Sydney CBD. It involves the delivery of ancillary non-clinical services for relevant facilities as well as the management and operations of the hospital's car parking facilities and retail functions.

- Construction Contractor: Thiess
- Services Contractor: Ventia
- Project Stakeholders: Northern Sydney Local Health District, Health Administration Corporation, HealthShare

Social

Post Investment

Ongoing relationships with the relevant communities, contractors and service providers support the team in managing the investments. CommIF monitors and manages social considerations and initiatives as part of the ongoing asset management process.

Examples of these issues that are regularly monitored, reviewed and updated are outlined below.

Royal Adelaide Hospital

As noted elsewhere in this report, RAH secured a Sustainability Loan in 2021 and 2023, the first of its kind globally in health care.

Two key aspects of RAH as a social project were:

- Access to essential services – health care; and
- Access to essential services – education.

Health Care

- RAH is the largest public hospital in South Australia, providing essential services in delivering a comprehensive range of complex care across medical, surgical, emergency, acute mental health, outpatient and diagnostics.
- RAH is the primary site for major emergencies in South Australia, including heart attacks and stroke, and serves as the complex multi-trauma destination for the State.

Education

- RAH is South Australia's largest accredited teaching hospital, offering a range of training positions across the medical, nursing, allied health, health sciences and pharmacy.

Victorian Comprehensive Cancer Centre

VCCC is an alliance of 10 leading research, academic and clinical institutions. Their purpose is to collaborate to accelerate and amplify leading-edge cancer research, knowledge and expertise to benefit the Victorian community.

VCCC programs support and enable the alliance members to integrate cancer research, clinical trials and education, to enable and accelerate the translation of scientific evidence into patient and community benefit.

VCCC seeks to reinforce Victoria's position at the forefront of research-led, consumer-informed, cancer prevention, detection, treatment and patient care.

Riverland Water

Riverland Water endeavours to give back to the local community and the region through sponsoring and supporting a wide variety of community based events as well as donating funds raised through corporate events.

Riverland Water has an annual sponsorship program, developed in conjunction with the local operator, TRILITY.

Local charities, activities or projects are selected each year and funds raised to date have aided the following projects:

- Foodbank, the largest hunger relief organisation in Australia, providing meals to people in need in the Riverland region;
- Operation Flinders, a remote outback learning program that is a vital circuit breaker to help youth make positive choices, to stay engaged in education or jobs and to avoid ending up in the justice system;
- Purchase of a portable ultrasound machine for the Birthing Unit for the Berri Community Hospital;
- Purchase of chemotherapy chair for the Berri Community Hospital;
- Purchase equipment for the Berri Community Sports Centre and a children's playground for the region's Domestic Violence Centre; and
- Sponsorship of a Cancer Council accommodation project in Adelaide, that supports regional South Australians, including those from the Riverland, that need to travel to Adelaide for treatment.

Royal North Shore Hospital

RNSH is a major NSW accredited tertiary teaching and referral hospital, offering a range of training positions across the medical, nursing, allied health, health sciences and pharmacy areas. Training positions at RNSH have a strong focus on practice and research and provide the opportunity to interact with experts in the clinical field, develop an understanding of advanced clinical interventions and link evidence theory to practice.

RNSH provides access to healthcare services across a diverse range of the NSW and Australian population, including all socio-economic

backgrounds, Aboriginal and Torres Strait and LGBTIQ+ communities.

The CommIF team and InfraShore provided significant financial and operational support to RNSH retail tenants throughout a very challenging COVID-19 period. This support was critical in ensuring the tenants were able to remain open and trading throughout the pandemic, providing amenity to staff, patients and visitors at RNSH, and we continue to work closely with tenants to support their ongoing recovery.

SA Schools

From January 2022, Year 7 transitioned from primary school to high school education. This required new buildings for c. 600 students at the two high schools, to be paid for by the State and delivered as a modification.

The CommIF team was responsible for taking this from design, through to delivery and operation, in two years. We managed the appointment of consultants, design, tendering, delivery, commissioning, and operation of the new facilities. The new buildings have been operating successfully since January 2022.



SEQ Schools, Peregain Springs

A number of the Fund's other assets also make a range of contributions to their communities. Some examples include:

Darwin Convention Centre

- The Centre sponsors the annual Special Children's Christmas party, providing special needs children a magical day.
- DCC has partnered with the Royal Flying Doctor Services (RFDS) to install 'Tap & Go' donation systems throughout the venue.
- DCC continues to minimise waste by donating any leftover event merchandise to local schools and organisations for projects, recycling coffee grinds to the local Ludmilla Primary School community garden, and recycling plastic bottle caps to Darwin Plastic Makers Space.
- The Centre has performed strongly post-COVID, with FY 2023 being the largest year in terms of revenue for the Centre on record. Events from the Centre are expected to have contributed a record \$62 million in economic benefit to the Northern Territory.

SEQ Schools

In Australian Indigenous culture, a yarning circle is a place to talk, share, discuss, educate and 'have a yarn' together. At many of our South-East Queensland schools, yarning circles are now part of the teaching and learning strategy to encourage responsible, honest and respectful interactions between students that build trusting relationships.

The idea for yarning circles being introduced at schools began as a collaborative discussion between CommIF and its project partners – Ventia and the State – about the use of spaces and what could be achieved, and the idea grew from there. Our hard FM subcontractor,

Ventia, subsequently sponsored the installation of shade sails for yarning circles at several schools.

This extended to sponsorship of artwork created by local Indigenous artists across school sites, including on water tanks, outdoor seated benches, on walls and in gardens.

Classes or groups of students can now often be seen sitting around the yarning circles during the day as part of their learning activities. The circles are widely thought to enrich the students' learning experience, promoting student-to-student interactions that develop confidence, communication skills and friendships.

CommIF and its project partners are proud to engage with local Indigenous community groups and traditional owners in the development and implementation of these projects that has resulted in the creation of meaningful spaces that recognise and acknowledge the culture of Australia's First Nations People.

Eastern Goldfields Regional Prison

Palya Walkaly Walkalya, the first art gallery in a WA custodial facility, was officially launched at EGRP in 2022. Artworks created by men and women in custody in the Goldfields region are displayed in the gallery, which will hold public open days. The works are up for sale, with pieces ranging from Indigenous art, contemporary art, painted didgeridoos, metal work, wood carving and portraits. All proceeds from the sale of art works are provided to the artist.

Victorian Desalination Plant

In its operational phase, the project is providing full time employment for more than 50 skilled personnel, the

vast majority of whom live in the Bass Coast region. More than A\$1 billion of supply contracts were awarded during the construction period with three-quarters going to Australian companies and two-thirds to Victorian companies.

Social considerations are many and varied, with key highlights including:

- A Community & Public Relations Manager who monitors the project's construction and operational impacts on the local community. This role also communicates stakeholder management efforts with the State, community and the media;
- Community engagement, with a focus on communication with nearby land owners, involvement with youth and community initiatives, and the ongoing management of an eco-reserve external to the plant boundary.
- The project sponsors scholarships for workplace experience and internship initiatives at the plant; and
- The project has also developed an 8km eco-reserve trail around the plant that is used by schools and the general public which allows for hiking, cycling and a horse riding path.

Auckland South Correctional Facility

Auckland South Correctional Facility (ASCF) has a culturally sensitive approach towards prisoners. The facility seeks to maintain strong links to culture and language for indigenous inmates in its programs and day to day activities.

The facility has a significant set of programs in place to assist inmates on their reintegration into society,

including a range of programs for the men to attain recognised qualifications to assist with employment opportunities post release.

The project has an incentive payment that the operator, Serco, is able to achieve if they are able to reduce reoffending rates of former inmates. As per the June 2022 Incentive Payment report (latest data available at the time of printing), the ASCF Recidivism Index – Reimprisonment (CRI) was lower than the New Zealand Department of Correction's Recidivism Index – Reimprisonment (DRI).

The New Zealand Department of Corrections (Corrections), ASCF and Serco undertook a revision of the performance regime in November 2021. Discussions with Corrections continued throughout 2022 regarding the review of the current custodial KPIs, which formed part of a wider contract reset exercise. The CommIF team oversaw and facilitated with Corrections to align KPIs with the operational flow of ASCF and departmental needs, whilst also ensuring sustainable operating performance for Serco. This process was finalised in April 2023.

AquaTower

Post acquisition, AquaTower installed a fluoridation system at the Ararat water treatment plant which contributes to the oral health of local residents.

Southbank Institute

Significant upgrades were implemented to site-wide security with an additional 96 Closed-circuit Television (CCTV) cameras installed to reduce blind spots and increase the safety of the site. The CCTV capability was also upgraded from a two-way audio system for emergency call points, to a full audio visual system with full High Definition (HD) cameras. This technology was installed within key areas requiring internal emergency response which gives added safety and security to staff and students, as it allows Downer Security the ability to speak, listen and record an incident and access the appropriate response at no additional cost.

A facial recognition software system was introduced for Downer staff and contractors. This provided a range of benefits including the elimination of paper-based sign-in books. This had an immediate benefit in driving safety

outcomes by knowing who is on site at any moment in time. This provides a significant safety benefit in times of emergency, evacuation or lock down.

Other innovation ideas have been implemented to improve service delivery such as:

- Moving standard cleaning hours to be outside of teaching hours. Cleaning is primarily undertaken at night to limit the impact on education delivery; and
- Cleaning teams were combined to reduce the risk of repetitive strain injury, allowing individual cleaning tasks to be rotated amongst staff so individuals were not performing the same physical task for long periods of time over multiple days.
- Cleaning teams work as a large group to reducing the occupation periods of individual buildings and reduce energy costs. Cost reductions of over 25% are achieved, and include the introduction of a building override one-key-switch that moves as the team moves through a building.



AquaTower

AquaTower owns and operates four water treatment plants in four regional towns in Victoria under a Build-Own-Operate-Transfer (BOOT) agreement with Grampians Wimmera Mallee Water (GWM Water). It delivers potable water to four regions; Ararat, Great Western, Halls Gap and Stawell.

- Construction Contractor: Abigroup Ltd (Lendlease)
- Services Contractor: TRILITY
- Project Stakeholder: Grampians Wimmera Mallee Water

Governance

Pre Investment

Our pre-investment due diligence includes a detailed review of each asset's operating history. This allows us to be able to effectively assess risks such as the strength and quality of client, stakeholder and operator relationships, as well as the governance structures in place.

Most social infrastructure assets are operated and maintained by third party subcontractors under long term contractual relationships. If there was to be poor operational performance or the assets were not maintained appropriately by these third parties, this could negatively affect the value of an investment and the income from the underlying assets.

Macarthur Wind Farm

Macarthur Wind Farm is an investment in one of the largest wind farms in the Southern Hemisphere. The investment is made via ownership of 50% of an Unincorporated Joint Venture (UJV) with another investor owning the remaining 50% of the UJV.

Governance of the investment is via an operating committee that includes representation of two of our funds, the co-owner and the operator of the wind farm, AGL. This committee is a positive and significant forum for the exchange of information between the parties. Importantly, the operating committee does not make decisions that are binding on each of the investors, with each 50% investor having full control over their respective investment.

This was an important governance requirement for the infrastructure team, as it is necessary for us to manage the investment separate to decisions made by an investor in a different investment structure.

Auckland South Correctional Facility

As investment manager, we have acquired two stakes in ASCF via separate sale processes. The original board composition included six directors, representing three investors.

The first acquisition of a 40% stake in the project, allowed Dexus to take up two board seats, with the overall board remaining at six directors.

The second acquisition of a further 30% stake in the project was split between two of our managed funds. This further stake, in being split between two funds, led to the shareholder agreement mandating the dissolution of the two board seats representing this 30% stake.

As a result, the board now consists of four directors (two of which are independent), providing a more streamlined approach to governance. Key shareholder decisions have a separate voting regime that allows for strong governance for shareholder reserved matters.

Royal North Shore Hospital

At acquisition in early 2015, we inherited several performance issues and a significant number of unresolved legacy issues. These included:

- Substandard service delivery performance in Hard and Soft Facility Management services;
- Legacy construction issues unresolved since construction completed in 2012;
- A challenging abatement regime with deductions that were disproportionate to the impact on operations.

- The size and extent of abatements threatened contract default triggers;
- Business operations were distracted by the number and complexity of unresolved legacy issues; and
- A breakdown of relationships due to the lack of resolution of historical issues.

These issues were a result of a deterioration of relationships over time between the various representatives of the organisations involved.

The CommIF team worked to repair relationships, address operational performance issues, and resolve outstanding legacy issues.

The team was able to bring the parties together, to remedy problems and resolve all of the issues identified in our due diligence.

Riverland Water

The Riverland Water project, like all water treatment projects, was designed to achieve very high levels of treated water quality.

The design outcomes have been achieved and Riverland Water has successfully demonstrated a long history of producing safe drinking water from a highly variable source of raw, untreated water that is the Murray River.

The fund originally owned 50% of the Riverland Water project and had effective representation at the board for all project oversight and governance matters. In 2018, the fund had an opportunity to acquire the remaining 50% shareholding of the project and take full control of the investment and the board.

The fund sought to capitalise on this opportunity and successfully utilised its existing governance rights to pre-empt the remaining 50% stake from the other shareholder.

The pre-emptive right was triggered due to a change in control of the ownership of the other 50%

shareholder. At the time, we were able to exercise these rights and acquire this 50% interest following an independent valuation of the asset.

Victorian Desalination Plant

The project developed an Environmental Management Framework for the plant, marine structures, pipeline and power supply. It includes 221 strict environmental performance requirements across 38 areas, from wetlands and waterways to air quality and visual amenity with which the plant must comply.

There is an Environmental Management Representative whose responsibilities include:

- Monitoring, auditing and reporting environmental performance;
- Monitoring the status and developments in legal requirements, stakeholder concerns and best practice; and
- Reviewing each of the various Environmental Management Plans and the Environmental Management Systems.

WaterSure, the project's operations subcontractor, has an environmental management system in place that is audited against ISO 14001.

Victorian Comprehensive Cancer Centre

On acquisition, CommIF acquired a minority interest in VCCC (21%).

To ensure an appropriate governance arrangement for CommIF, the Fund entered into a Joint Venture Deed, which gives the infrastructure team board representation and veto power over super majority and unanimous investor matters.

These strong governance rights over critical business decisions include matters relating to:

- Wind up;
- Related party transactions;
- Variation of share capital; and
- Change of business, re-organisation, re-structure.

These rights were critical to ensure that the infrastructure team had appropriate arrangements in place to protect CommIF's interests.

Victorian Comprehensive Cancer Centre (VCCC)

VCCC is Australia's first dedicated cancer research and treatment facility. Located in Parkville's biomedical precinct in Melbourne, completed in 2016, the 13-storey VCCC houses the Peter MacCallum Cancer Centre with 160 inpatient beds, 110 day beds and eight operating theatres. It can host up to 1,200 researchers and offers education and training facilities.

- Construction contractor: Grocon/PCL Builders joint venture
- Services Contractor: Honeywell

Auckland South Correctional Facility (ASCF)

Located in South Auckland, ASCF is a high and low security men's prison, with the capacity to house up to 960 inmates.

- Construction contractor: Fletcher Constructions
- Services Contractor: Serco
- Facilities Management: Downer



Governance

Post Investment

The Fund's ownership stake in each of its investments will generally allow the Fund's investment team to exert significant influence upon the asset operations. This is primarily achieved through board representation and management of service provider and counterparty relationships.

As a part of ongoing governance and asset management arrangements, CommIF monitors and manages a range of governance considerations and initiatives.

COVID-19

At the commencement of the pandemic in Australia in 2020, and in response to the emerging threat of COVID-19 on investments worldwide, the Fund initiated a detailed review of the operational, legal and commercial risks and opportunities to each investment. The CommIF team completed a matrix of risks and mitigants across all assets, to understand and mitigate any perceived risks to asset performance.

The review indicated a strong legal and contractual framework that provided significant protections to ensure the assets continued to perform financially.

Operationally, there was strong engagement with clients and operators, to reassure our partners that we were standing with them to respond to any issues as they arose.

CommIF also undertook a detailed analysis of our subcontractors' operational practices and supply chains, to ensure that they could continue to perform their obligations. This outcome indicated a strong likelihood of being able to successfully operate through various lockdown stages of the pandemic, protecting project revenues and investment returns.

In 2023, we are now beginning to see the end of pandemic related consequences across most of our assets. For those where there are trailing impacts, or where certain

aspects of service delivery or commercial impacts remain, we are focussed on minimising any adverse consequences and optimising asset operation and commercial matters for the future.

Southbank Institute

Downer is ISO 14001 - Environmental Management and ISO 9001 - Quality Management compliant. More recently, Downer undertook a process to pursue certification to ISO 41001 – Facility Management in lieu of ISO 9001. Downer looked to ISO 41001 as being more closely aligned to their core requirements and the nature of their business, and in partnership with Southbank Institute, achieved Australia's first Accredited ISO 41001 Certification for Facility Management in 2021.

Macarthur Wind Farm

Acquired in late 2019, we spent significant time and effort in ensuring appropriate on-boarding of the investment. As a part of the acquisition, CommIF and the Dexus Core Infrastructure Fund (DCIF) put in place a new capital structure with both new and existing financiers. This required a significant effort to put in place operational, financial and governance processes for the investment.

The process also required a strong set of obligations upon the vendor to provide information to the

infrastructure team for CommIF to manage its compliance obligations around timely and correct lodgement of tax returns and related reporting to various stakeholders.

In addition, CommIF set about engaging with the operator, AGL, and the other 50% investor, to forge effective working relationships and ensure that operational and financial governance arrangements and oversight were both appropriate and in line with organisational requirements.

Perth Stadium

The investment in Perth Stadium includes an obligation to maintain the built structure and ensure it remains available for an agreed number and type of events per year. Where the number of events exceeds this amount, Perth Stadium is entitled to be paid additional amounts to cover the preparation and make good of the grass playing surface.

The project has a separate operator, with a direct contract with the West Australian Government, to source and manage events. This operator, VenuesLive, takes the risk on the number of people attending events, and the food and beverage sales at the stadium.

The relationship between the project and the operator is governed by an interface agreement, to facilitate alignment of stadium operations with the built form. The agreement also

addresses how any performance issues between the parties are to be dealt with.

Key aspects on which the CommIF team engage with the WA Government and VenuesLive are:

- The performance of the pitch. As the stadium is used for a range of different sporting activities, from cricket to AFL, football and rugby, there are constraints in turf design and management. The stadium's management team has been heavily engaged with both resident AFL teams to discuss their preferences and manage pitch expectations. Pitch performance is a technical design and management issue, with specific requirements for different sports that must be achieved;
- Regular engagement with Government to discuss the performance of the stadium and potential improvements. The stadium is a significant asset in promoting the State. There has been recent engagement regarding a proposed tourist attraction including a roof top walk or viewing area.

In 2020, the stadium was also used as a State Command Centre for COVID-19 pandemic coordination and response. It was also considered for use as the site of a temporary hospital if the pandemic became a significant issue for Western Australia.

Royal Adelaide Hospital

The RAH is committed to supporting the Central Adelaide Local Health Network (CALHN) reconciliation activities through the effective provision of social infrastructure and healthcare for Aboriginal and Torres Strait Islander people. In July 2022, Dexus's SPV directors attended high impact Indigenous Cultural Competency training arranged for the

Board, Executive, and key personnel. The training enhanced the RAH leadership team's understanding of Indigenous culture and equipped the team to design an Indigenous and culturally appropriate strategy to align with the CALHN Reconciliation Action Plan.

Royal North Shore Hospital

CommIF has utilised its 100% ownership and asset management activities to resolve all outstanding issues that were identified during the acquisition due diligence process.

The CommIF team has implemented a range of further governance changes to continually enhance the project and ensure that all stakeholder needs are being met. These changes include:

- Restructuring governance committees with NSW Health to enhance engagement;
- Revising the way in which facility management and maintenance services are provided, to align them with the clinical needs of NSW Health; and
- Ongoing support for NSW Health since 2020 in response to the COVID-19 pandemic, through the provision of additional clinical space, reconfiguration of existing clinical areas and facilitating free staff parking on-site.
- Over time, we have also sought to assist NSW Health with major changes and initiatives, such as the installation of a new Positron Emission Tomography (PET) scanner at the hospital. This is a project that is underway in 2023, with significant involvement from the Dexus team.

Darwin Convention Centre

The Centre recently placed Silver in the 2022 Qantas Tourism Awards in the Australian Business Event Venue category.

The Operator participates in a corporate environmental sustainability program. Through this program, the Centre:

- Exchanges environmental best practices with other venues; and
- Tracks its environmental performance on a quarterly basis, measuring energy consumption, water usage and waste diversion.

The Centre has achieved the Bronze Benchmarking Standard through EarthCheck, currently the world's leading environmental management and professional services group for the travel and tourism industry.

The Centre achieved ISO 22000:2018 Food Safety certification in 2022 (valid until November 2025). This standard specifies the requirements for a food safety management system to enable an organisation to demonstrate its ability to control food safety hazards.

Additionally, the Centre achieved ISO 9001: 2015 certification (Quality Management System) in 2022 (valid until November 2025).

The Northern Territory Government (NTG) has been in discussions with the Centre in relation to a potential hotel development at the Darwin Waterfront. This required CommIF to engage with the NTG to provide a framework under which we would support the NTG's strategic vision for the area, whilst preserving our interests as owners of the Centre. The Centre and the NTG have since entered into a Heads of Agreement, whereby the Centre will support the development of a hotel adjacent to the Convention Centre.

Fund Governance

End of Concession Planning

At the time of this report, three of CommIF's assets are approaching the end of their concessions:

- NZHCP in 2024;
- Riverland Water in 2025; and
- Aquatower in 2026.

Following the successful hand back of the Emergency Alerting System in 2012, CommIF is one of the only funds, and Dexus as manager, who has successfully transitioned ownership of a social infrastructure project back to a State government.

End of Concession planning is a complex, time consuming, and long process. Hand back obligations are robust and extensive.

Key to a successful hand back is the establishment of strong governance and oversight of this process. It is essential that all legal, commercial, technical and operational aspects are met, to ensure that the asset continues to operate successfully in the hands of government from the date of hand back.

CommIF is keenly focused on ensuring that we plan early, and execute well, all asset hand backs.

Where possible and in the best interests of investors, we will, of course, seek to identify opportunities to extend our existing concessions, where they deliver benefits to users, counterparties, and CommIF investors.

Refinancing

A key component of each of CommIF's investments is their capital structure. Dexus is acutely aware of the risks and opportunities arising from effective management of refinancing risk.

As a key risk, Dexus and the respective SPV boards, we keep a strong focus on lender relationships and the timing of refinancing activities.

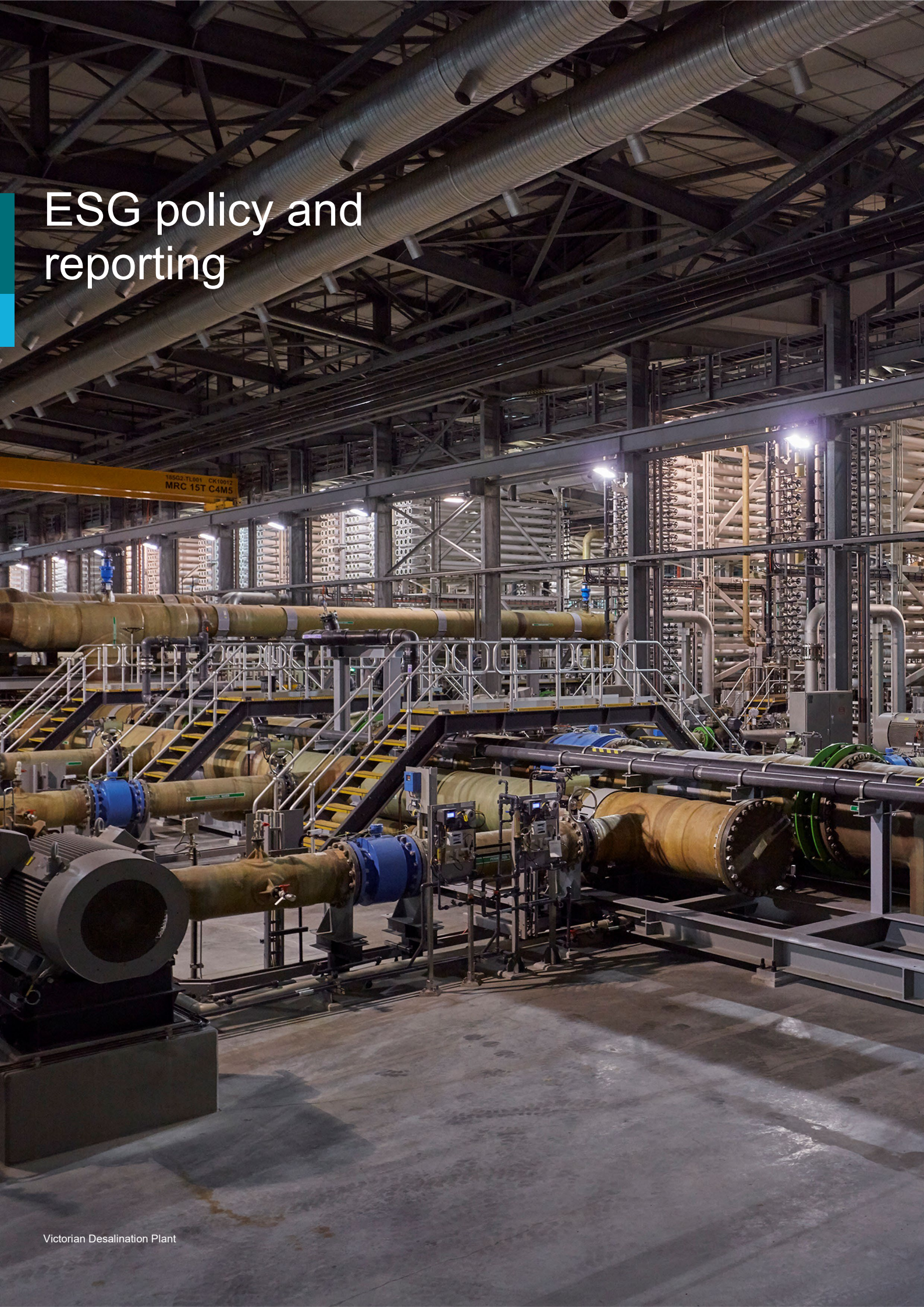
Where possible, Dexus will seek to commence refinancing processes early, to provide the appropriate time to consider alternate refinancing options, and develop our refinancing strategy for each asset.

The team works closely, as directors on each of the assets and SPV manager on others, to optimise refinancing outcomes.

As a part of our acquisition process, we also consider refinancing risks and opportunities, in order to optimise our competitiveness whilst ensuring our ability to manage refinancing risks throughout the remainder of project concessions.

Dexus has a strong and capable debt advisory team, that has market leading relationships and coverage, supporting refinancing activities. Dexus debt advisory also provides ongoing treasury support and oversight of debt facilities to Dexus funds. We believe that this is a differentiator in the market and one of Dexus's key strengths as an investment manager.

ESG policy and reporting



Energy and carbon reporting:

Since 2022, CommIF has measured and reported its energy consumption and greenhouse gas emissions (Scope 1 and Scope 2) by sub-sector. Our initial assessments indicate that Macarthur Wind Farm injects more renewable energy into the electricity grid than the amount used to operate the Fund's remaining investments. Data is currently based on best available estimates and has not been audited by an independent third party.

The Fund will continue to develop and refine strategies to capture and report environmental information, including working through challenges associated with obtaining appropriate look through to data housed by operating partners. The CommIF team has been in regular consultation with the broader Dexus sustainability team to align on future sustainability goals for the Fund and improve our sustainability reporting over time.

Our approach to responsible investment:

At Dexus, we recognise that ESG issues can impact the long-term performance of our infrastructure investment portfolios and consider them as a core component of our mainstream investment process.

ESG policy and commitment:

As a pioneer in the infrastructure asset class, the Dexus infrastructure team was an early signatory to the Principles for Responsible Investment (2007) (PRI) and a founding member of GRESB Infrastructure (2015). The team has a sophisticated understanding of ESG-related risks and opportunities across a diverse portfolio of infrastructure sectors.

We consider ESG issues as a core component of our mainstream investment process as demonstrated by explicit ESG protocols across the full scope of our investment process.

Rigorous investment process controls are in place to ensure high quality consideration of ESG issues regardless of sector, fund, investment style or geography. These are reinforced by Dexus's integrated corporate responsibility framework that commits our organisation to making responsible investment decisions on behalf of our investors.

The Dexus infrastructure team actively collaborates with a broad range of industry initiatives to champion responsible investment, including the work of:





For more information, please contact one of our team members or visit dexus.com/CommIF.

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Dexus Funds Management Limited as responsible entity of Dexus Property Trust and Dexus Operations Trust (Dexus) recently acquired the responsible entity AMP Capital Funds Management Limited (Responsible Entity) of Dexus Community Infrastructure Fund (Fund). Following the acquisition, Dexus intends to change the name of the Responsible Entity to Dexus Capital Funds Management Limited. Dexus has registered this name as a business name with the Australian Securities and Investments Commission. Subject to regulatory filings and approvals, the change of name is expected to be completed in 2023.

Investors should consider the Information Memorandum (IM) available from AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) (AMPCFM)) for the Dexus Community Infrastructure Fund (Fund) before making any decision regarding the Fund. The IM contains important information about investing in the Fund and it is important investors read the IM before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. AMPCFM is the responsible entity of the Fund and the issuer of units in the Fund. Dexus Funds Management Limited as responsible entity of Dexus Property Trust and Dexus Operations Trust (Dexus) recently acquired AMPCFM. Neither AMPCFM, Dexus, nor any other company in the Dexus group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance. While every care has been taken in the preparation of this document, AMPCFM and Dexus make no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation, and needs. This document should not be reproduced in whole or in part without the express written consent of AMPCFM.