

Sustainability Report 2020

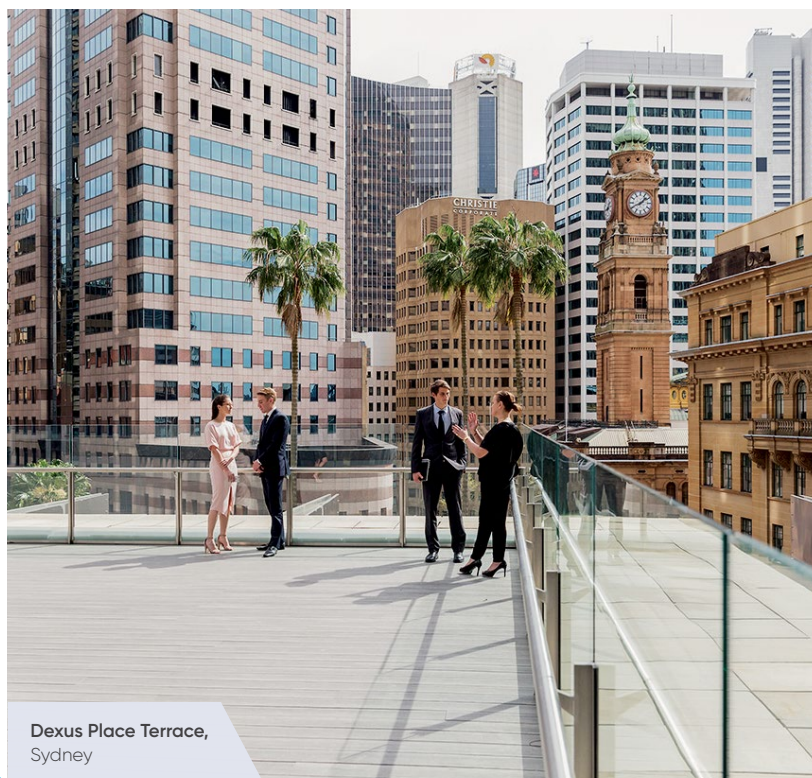


Positioning for the recovery

Comprehensive sustainability reporting that supports the results outlined in the 2020 Annual Report.

Sustainability Report 2020

The Sustainability Report contains the Sustainability Performance Pack, Sustainability Data Appendix, and Sustainability Approach and Procedures. It describes our implementation of the Dexus Sustainability Approach during the year to 30 June 2020.

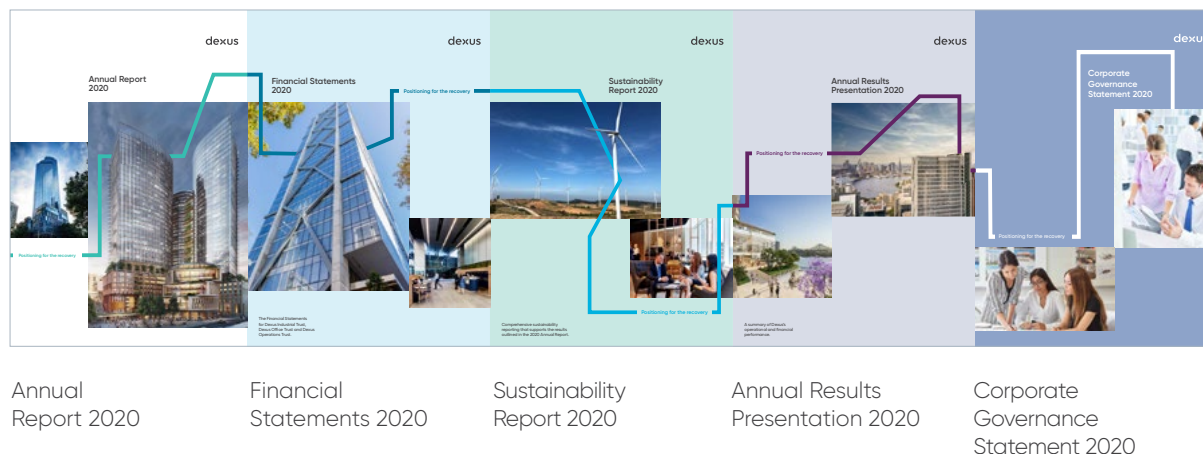


Dexus Place Terrace,
Sydney

Annual Reporting Suite

Dexus presents its Annual Reporting Suite for the year ended 30 June 2020 available at www.dexus.com/investor-centre

The 2020 Annual Reporting Suite is available in hard copy by email request to ir@dexus.com or by calling **+61 1800 819 675**.



Annual
Report 2020

Financial
Statements 2020

Sustainability
Report 2020

Annual Results
Presentation 2020

Corporate
Governance
Statement 2020

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Comprehensive datasets for a range of environmental, social and governance indicators

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The policies, procedures and practices that underpin our sustainability approach

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About Dexus

We are one of Australia's leading real estate groups, managing a high-quality Australian property portfolio valued at \$32.0 billion.

Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 29,000 investors from 21 countries.

We believe the strength and quality of our relationships will always be central to our success and we are deeply committed to working with our customers to provide spaces that engage and inspire.

With over 35 years of expertise in property, investment, development and asset management, we have a proven track record in managing capital and risk to deliver superior risk-adjusted returns for our investors.

We invest only in Australia, and directly own \$16.5 billion of office and industrial properties. We manage a further \$15.5 billion of office, retail, industrial and healthcare properties for our third party capital partners. The group's \$10.6 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns.

We consider sustainability to be an integral part of our business with the objectives of Leading Cities, Future Enabled Customers, Strong Communities, Thriving People and Enriched Environment supporting our overarching goal of Sustained Value.

Sustainability Performance Pack



Waterfront Brisbane
(artist's impression)

The Sustainability Performance Pack describes how we have applied the Dexus Sustainability Approach to create value for our stakeholders in FY20.

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Sustainability at Dexus

Dexus's sustainability reporting describes our application of the Dexu Sustainability Approach from 1 July 2019 through to 30 June 2020.

It is now widely accepted that businesses should understand and address environmental, social and governance (ESG) issues that are relevant to their operations.

A strong approach to sustainability (used interchangeably with "ESG" throughout Dexu reporting) can underpin long-term outperformance, while a weak approach can erode value or cause reputational damage through increased exposures to ESG risks or an inability to effectively respond to change.

In recognition of the importance of sustainability for our business, we publish an integrated reporting suite at the end of each financial year that is aligned with the International Integrated Reporting Council <IR> Framework. The 2020 Annual Report describes how the Dexu Sustainability Approach objectives are integrated into our business model and provides an overview of our performance against these objectives.

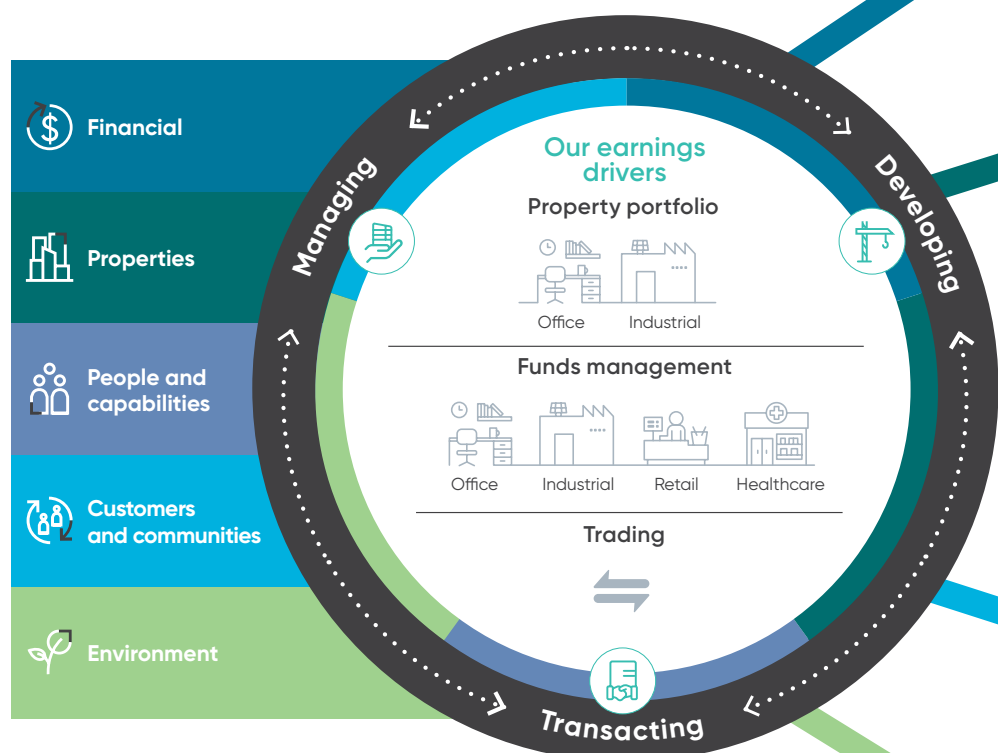
The 2020 Sustainability Performance Pack expands on the performance highlights within the 2020 Annual Report and provides further insight into how we apply the Dexu Sustainability Approach. Last year, we published our Sustainability Performance Pack, Data Supplement, and Management Approach disclosures as separate documents. Following feedback from report users, the 2020 Sustainability Report is now published as a single document, with the Sustainability Data Appendix and Sustainability Approach and Procedures (formerly Disclosures on Management Approach) provided as appendices to the Sustainability Performance Pack. Readers interested in our alignment with the ASX Corporate Governance Principles and Recommendations should refer to the 2020 Corporate Governance Statement.

Value creation framework

Key resources



Key business activities





Value creation outcomes

Sustained Value

Superior long-term performance for our investors and third party capital partners underpinned by integrating ESG issues into our business model

Value drivers

- Financial performance
- Capital management
- Corporate governance



Leading Cities

A high-quality portfolio that contributes to economic prosperity and supports sustainable urban development across Australia's key cities

Value drivers

- Portfolio scale and occupancy
- Economic contribution
- Development pipeline



Thriving People

An engaged, capable and high-performing workforce that delivers on our strategy and supports the creation of sustained value

Value drivers

- Employee engagement
- Inclusion and diversity
- Health and safety



Future Enabled Customers and Strong Communities

A strong network of value chain partners (customers, communities and suppliers) who support Dexus and are positively impacted by Dexus

Value drivers

- Customer experience
- Community contribution
- Supply chain focus



Enriched Environment

An efficient and resilient portfolio that minimises our environmental footprint and is positioned to thrive in a climate-affected future

Value drivers

- Resource efficiency
- Climate resilience
- Green buildings

Our approach to materiality

The concept of materiality is central to corporate sustainability because it helps organisations highlight and prioritise the ESG issues of greatest importance to their business models. It also helps inform stakeholders about how those ESG issues impact the organisation's ability to create value and their impacts on society and the broader environment.

Dexus has completed regular materiality assessments since 2011 to inform our sustainability approach and reporting. Following the transition to integrated reporting in 2019, our aim in 2020 was to complete a materiality assessment that linked the 2020 Annual Report and Sustainability Report. The 2020 materiality assessment process is summarised below.

2020 materiality assessment process

| Megatrends analysis | Interviews and SWOT analysis | Identification and prioritisation of material topics | Identification of reporting themes |
|---|---|--|--|
| Desktop research to consider a wide range of megatrends that could present risks and opportunities for Dexus. | Interviews with internal and external stakeholders to identify key megatrends and understand Dexus's positioning regarding risks and opportunities. | Identification of material topics associated with key megatrends, and prioritisation of material topics through engagement with Dexus senior and executive management. | Use of the material topics to determine reporting themes as specified by the Integrated Reporting Framework and GRI Standards. |

Based on the six key megatrends for Dexus as described in the 2020 Annual Report, the 2020 materiality assessment identified nine material topics that have been used to structure our integrated reporting suite.

These material topics help structure our reporting and are a major consideration for how we evolve our sustainability approach over time. The nine material topics formed the basis for identifying:

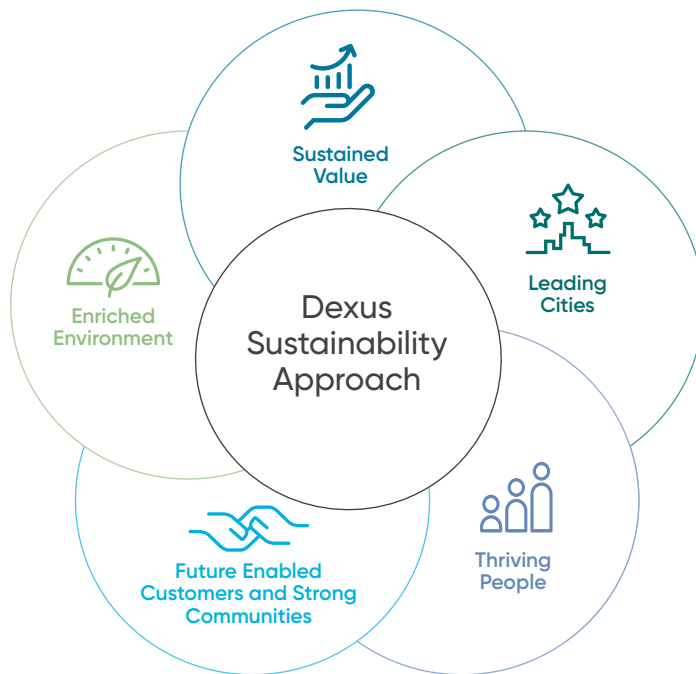
- 'material matters' for value creation as defined by the International Integrated Reporting Council <IR> Framework, which are disclosed as 'value drivers' within Dexus's value creation framework on page 4
- 'topic specific disclosures' related to stakeholder impact as defined by the Global Reporting Initiative GRI Standards, used to inform the content within the 2020 Sustainability Report



The following table summarises how the nine material topics are linked to key megatrends, value drivers in Dexus's value creation framework (page 4) and topic-specific disclosures in the 2020 Sustainability Report.

| Megatrend | Material topics | Value drivers | Topic-specific disclosures |
|----------------------------------|--|---|--|
| Urbanisation | Expanding our economic impact on Australian cities | Portfolio scale and occupancy Economic contribution Development pipeline Green buildings | GRI 103 Management Approach GRI 201 Economic Performance GRI 203 Indirect Economic Impacts G4-CRE8 Sustainability Certifications |
| Social and demographic change | Championing an inclusive and high-performing culture | Employee engagement Inclusion and diversity | GRI 103 Management Approach GRI 401 Employment GRI 402 Labour-management Relations GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity GRI 406 Non-discrimination |
| | Prioritising safety and wellbeing in our workplace and at our assets | Health and safety | GRI 103 Management Approach GRI 403 Occupational Health and Safety GRI 416 Customer Health and Safety |
| Climate change | Maintaining a portfolio resilient to the physical impacts of climate change | Climate resilience | GRI 103 Management Approach GRI 201 Economic Performance |
| | Managing the use of resources efficiently | Resource efficiency | GRI 103 Management Approach GRI 302 Energy GRI 303 Water and Effluents GRI 306 Waste G4-CRE1 Building Energy Intensity |
| | Supporting the transition to a low carbon economy through net zero emissions | Resource efficiency | GRI 103 Management Approach GRI 305 Emissions G4-CRE3 Emissions Intensity from Buildings |
| Technological change | Deploying smart building technology to enhance the customer experience | Customer experience | GRI 103 Management Approach GRI 418 Customer Privacy |
| Growth in pension fund capital | Ensuring high standards of corporate governance and transparency | Corporate governance | GRI 103 Management Approach GRI 102 Ethics and Integrity, Governance GRI 205 Anti-corruption GRI 206 Anti-competitive Behaviour GRI 307 Environmental Compliance GRI 415 Public Policy GRI 417 Marketing and Labelling GRI 419 Socioeconomic Compliance |
| Growth in sustainable investment | Upholding a social licence to operate by meeting stakeholder expectations for sustainability performance | Community contribution Supply chain focus | GRI 103 Management Approach GRI 204 Procurement Practices GRI 304 Biodiversity GRI 308 Supplier Environmental Assessment GRI 410 Security Practices GRI 412 Human Rights Assessment GRI 413 Local Communities GRI 414 Supplier Social Assessment G4-CRE7 Persons Displaced |

Dexus reports in accordance with the GRI Standards (Core) reporting guidelines, with the addition of relevant indicators from the G4 Construction and Real Estate Sector Supplement. The 2020 GRI Index (page 148) provides a comprehensive reference specifying the disclosure of material topics across our 2020 Annual Reporting Suite.



Dexus Sustainability Approach

The Dexus Sustainability Approach incorporates the Principles for Responsible Investment (PRI) 'six principles' relating to responsible investment and active property management.

The approach is aligned with our strategy by supporting the long-term creation of sustained value through the integration of material ESG issues into our business model (refer to the value creation framework on page 4).

Our sustainability approach is the lens that we use to effectively manage emerging ESG risks and opportunities and create long-term value. It incorporates five objectives which collectively direct our focus towards addressing the issues considered to be most material for our stakeholders.

Who we are

A passionate and agile team who want to make a difference

Why we come to work

To create spaces where people thrive

We create value for

Our customers, investors, people, and communities

Our values

- Openness
- Trust
- Empowerment
- Integrity

Our purpose

The Dexus Purpose articulates our reason for being in business and works alongside our sustainability approach to inspire our people to create thriving spaces that have a positive impact on our stakeholders.

Aligning with global goals

As a signatory to the UN Global Compact (UNGC), we are committed to upholding the UNGC's ten principles and to also supporting broader UN objectives such as the Sustainable Development Goals (SDGs).

The UNGC's ten principles are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The SDGs are a set of 17 universal goals applicable to all countries at all stages of development. They detail a path to 2030 to end extreme poverty, fight inequality and injustice, protect the planet, and provide a framework for global and local sustainable development efforts.

Application of the Dexus Sustainability Approach enables us to have a positive influence on several SDGs through our business activities and impacts on our workforce.



Managing risk

A prudent and robust approach to risk management is an essential part of Dexus's ongoing success. There are various risks that could impact the execution of Dexus's strategy and outlook, and the nature and potential impact of these risks can change over time. Dexus actively reviews and manages risks faced by the group over the short, medium and long term, overseen by the Board Risk Committee.

Learn more



For further information on Dexus's risk management framework refer to the 2020 Annual Report and the 2020 Corporate Governance Statement.

Boundary terms

In this 2020 Sustainability Report:

- 'Dexus', 'the group', 'Dexus group portfolio', 'we', 'us' and 'our' refer to Dexus comprising the ASX listed entity (DXS) and the Third Party Funds Management business, unless otherwise stated
- 'Dexus portfolio' relates specifically to the portfolio of properties in the ASX listed entity
- 'Funds management portfolio' relates to properties managed by Dexus on behalf of third party capital partners
- 'Third party capital partners' refers to the investors, partners, and clients in our funds management portfolio

Any reference in this report to a 'year' relates to the financial year ended 30 June 2020. All dollar figures are expressed in Australian dollars unless otherwise stated.

Independent assurance

In addition to auditing the Financial Statements, PricewaterhouseCoopers (PwC) provides limited assurance over select environmental and social data metrics within the 2020 Dexus Annual Reporting Suite.

Limited assurance has been obtained for the 12 months to 30 June 2020. The Assurance Statement, and associated reporting criteria documents are available at page 172.

Sustained Value



Delivering superior long-term performance for our investors and third party capital partners, underpinned by integrating environmental, social and governance issues into our business model.

In this section

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50.3 cents

Distribution per security
FY19: 50.2 cents

50.3 cents

Adjusted Funds from Operations
(AFFO) per security
FY19: 50.3 cents

9.0%

Return on contributed equity
FY19: 10.1%

Delivering our sustainability approach creates long-term value for our stakeholders

Our capacity to sustain financial performance depends on our ability to create value through leveraging our key resources, underpinned by strong corporate governance.

Dexus's strategy is to deliver superior risk-adjusted returns for investors from high quality real estate in Australia's major cities. Continued execution of our strategy over time requires effective deployment of our key resources and relationships, including:

- **Financial** – The pool of funds available to us for deployment, which includes debt and equity funding, funds from our third party capital partners to invest on their behalf, as well as profits retained from our property management, development and trading activities
- **Manufactured** – Our properties, which are central to our ability to create value as a real estate company
- **Human** – The knowledge, expertise and performance of our people
- **Social and relationship** – The relationships we nurture with our customers, local communities and suppliers
- **Natural** – The natural resources we use such as energy, water and materials

The objectives of our sustainability approach are aligned with our key resources and relationships:

- **Sustained Value** – Delivering long-term financial performance for our investors and third party capital partners, supported by active capital management, strong corporate governance, and the achievements of our other sustainability approach objectives

- **Leading Cities** – Focusing on maintaining and developing a high-quality property portfolio that contributes to economic prosperity and sustainable urban development across Australia's key cities
- **Thriving People** – An engaged and capable workforce with high levels of personal fulfillment and satisfaction, who are motivated to deliver on our strategy
- **Future Enabled Customers and Strong Communities** – Satisfied and successful customers, prosperous and strong communities, and capable suppliers with whom we enjoy productive and enduring relationships
- **Enriched Environment** – An efficient and resilient portfolio that minimises our environmental footprint, helping us to mitigate climate risk and prepare for a resilient future

The approach and performance disclosed in each section of this Sustainability Performance Pack ultimately supports our creation of sustained value. The Sustained Value section of this report focuses on:

- Summarising the progress against FY20 Sustained Value commitments
- Explaining how Dexus has navigated the crises that have defined FY20
- Highlighting changes in corporate governance
- Enhancing our positioning as a sustainable investment of choice

Delivering FY20 Sustained Value commitments

Each year, we set commitments that indicate how we will deliver on our objective of Sustained Value.

| FY20 Commitment | Status | FY20 Progress |
|---|--------|---|
| Investors Deliver circa 5% growth in distribution per security | ○ | Delivered on new FY20 guidance that was provided at the beginning of June 2020, for a distribution that was consistent with FY19. The FY20 distribution was impacted by the onset of the COVID-19 crisis in the last quarter of the year. |
| Office Increase WALE and maximise AFFO in our office portfolio | ○ | Achieved office WALE of 4.2 years (FY19: 4.4 years) and office AFFO of \$516.5 million (FY19: \$473.1 million). The office portfolio performance was impacted by the onset of the COVID-19 crisis in the last quarter of the year. |
| Industrial Maximise synergies across our industrial and retail customer base | ● | Convened events to foster collaboration between retailers that operate across both the retail and industrial sectors, and held meetings with select retailers to strengthen customer partnerships. |
| Capital management Maintain a strong balance sheet and further diversify debt | ● | Maintained strong balance sheet demonstrated by gearing (look-through) ¹ of 24.3%, well below target range of 30-40%. Diversified funding sources through issue of medium-term notes and securing additional bank debt facilities. |

1. Adjusted for cash and debt in equity accounted investments. Proforma gearing includes proceeds and payments for transactions post 30 June 2020 that are expected to settle before 30 September 2020 including the divestment of Finlay Crisp Centre, Canberra, 201 Elizabeth Street, Sydney and 45 Clarence Street, Sydney (subject to FIRB approval), the acquisition of Edward Street, Brisbane (Hermes), payment of Dexus's share of deferred settlement amounts for 80 Collins Street, Melbourne, the industrial property acquisitions of 37-39 Wentworth Street, Greenacre and the Ford Facility at Merrifield Business Park, Mickleham. All other transactions post 30 June 2020 are excluded. Look-through gearing at 30 June 2020 was 26.3%.

Key

● achieved ○ not achieved ● progressed



Rialto Towers,
Melbourne

FY21 commitments

- Deliver a distribution in line with free cash flow
- Maintain a strong balance sheet while further diversifying debt



Rialto Towers,
Melbourne

Navigating through crisis

The Australian bushfire season of 2019–20 and the onset of the COVID-19 pandemic were two crises that defined the year.

Throughout the crises, Dexu prioritised the health and safety of its people, customers and communities through strong coordination, collaboration and communication.

Crisis

Australian bushfires

2019–2020

Bushfire impacts on Sydney, Melbourne and Brisbane November 2019–January 2020

The bushfires that impacted Australia in the summer of 2019–20 were the worst in recorded history. The bushfires were so widespread and intense that they left Sydney, Melbourne and Brisbane with some of the poorest air quality in the world at times.



The poor outdoor air quality presented challenges to maintaining healthy indoor environments for our people and customers across our portfolio. When outdoor air quality was poor, we tested the indoor air quality (IAQ) at select properties to evaluate the effectiveness of air filtration systems and building management practices. We also established a cross-functional IAQ working group to review IAQ monitoring, alerts and communications, air filter selection, operational procedures and mitigation strategies. The Enriched Environment section (pages 44–54) explains our response to the bushfires in the context of our climate resilience strategy.

The impacts of the bushfires extended far beyond the group portfolio, being felt by Dexu employees and communities across the east coast. To support our people, we put in place health and wellbeing initiatives to assist employees through challenges that they were experiencing, as well as special leave entitlements to allow employees to volunteer or contribute to recovery efforts. We also matched employee donations to bushfire relief fundraising initiatives that supported affected communities. Page 30 provides more information on our approach to employee health and wellbeing and page 38 details our FY20 community contribution initiatives.

Crisis

COVID-19 pandemic

2020–ongoing

Onset of pandemic in Australia February–March 2020

In 2020, Australia has faced the onset of the COVID-19 pandemic, which has subsequently escalated into a worldwide health crisis. By late February, COVID-19 was already present in Australia, and at this time the Australian Government activated its emergency health response plan.

During this period, our priorities were to prepare for a range of scenarios and ensure that our people, investors, customers and communities were provided with the correct information about the rapidly changing situation. We established three dedicated internal committees reporting to the Group Management Committee, including a:

1. Continuity Committee: with a purpose to establish and execute plans to ensure uninterrupted operation of the business, our assets and the health of all stakeholders
2. Planning Committee: with a purpose to report on financial impacts and scenarios across the business
3. Stakeholder Committee: with a purpose to ensure consistent and timely communication with investors (listed, unlisted and debt)

To protect the health and safety of our people, we restricted work-related travel, established additional precautions for meetings with external guests, and created information hubs on our employee intranet and on our website that were regularly updated with the most up-to-date information.

Significant government restrictions, remote working prevalent

March–June 2020

By the end of March 2020, all Australian jurisdictions had put public health orders in place that banned most gatherings of people and permitted individuals to leave home only for essential purposes.

Many of our small business customers were impacted by these restrictions, and Dexus engaged with these businesses on rent relief in accordance with the Australian Government's Code of Conduct for commercial tenancies.

Through this period, we continued to deliver high levels of service with our properties remaining operational and essential services continuing. This ensured customers had the flexibility to access their offices, and buildings were quick to reactivate when customers began their return to the office. Efficient property management during this period also delivered savings, as detailed on page 47.

Our retail management team supported retailers across our centres to manage the implementation of restrictions across the various jurisdictions where we operate. Important health signage was rolled out swiftly along with hand sanitiser stations, and regular retailer engagement was adopted to ensure all retailers were informed of the changing situation. Page 34 describes more information on retailer engagement and satisfaction.

Throughout April to June, most of our people were directed to work from home. We put in place a number of initiatives to support our people when working remotely in such a challenging environment, reported further on page 26.

Easing of restrictions, return to the workplace where appropriate

from June 2020

By June 2020, some Australian jurisdictions (Sydney, Brisbane and Perth) started easing restrictions in a staged manner because community transmission levels had been suppressed to that point in time.

As restrictions eased, we closely engaged with the Property Council of Australia and Safe Work Australia on developing the guidelines for office buildings and workspaces, including issues such as lift capacities and safe operation of end-of-trip facilities. We also began welcoming back our people to Dexus office locations in stages, local restrictions permitting.

Our properties are delivering COVID-safe environments in line with government guidelines, and we have implemented measures such as increased cleaning, touchless sanitiser stations, prominent signage regarding physical distancing, and regulating lift capacities. More information on how we are supporting a safe return to the workspace is provided on page 35.

Following a significant increase in COVID-19 cases across Melbourne and regional Victoria since June 2020, we have continued to support our Victorian workforce working from home, and have focused on the health and safety of our people who are performing essential services such as the management of properties with medical centres and supermarkets. Our facilities management team continues to provide onsite support for all of our customers, ensuring compliance with the new restrictions in Melbourne and regional Victoria.

Corporate governance update

Strong corporate governance underpins the trust that Dexus enjoys with its people, investors and customers, as well as its broader social licence to operate.

Early in FY20, the Dexus Board established an Environmental, Social and Governance Committee (Board ESG Committee) to consider the material ESG issues relevant to the group and support it in maintaining its position as a global leader in ESG performance.

The Board ESG Committee supports the Board in:

- Understanding the expectations of key Dexus stakeholders
- Understanding how Dexus's ability to create value is impacted by ESG issues
- Monitoring external ESG trends and understanding associated risks and opportunities

The Board ESG Committee held meetings in November 2019, March 2020, and June 2020, and engaged with Dexus management teams about:

- Environmental targets, including performance against 2020 targets and the establishment of new 2025 targets
- Our response to the Australian bushfire crisis (page 51)
- Our approach to climate resilience, including the scenario analysis published in Dexus's *Towards Climate Resilience* report (page 55)

- Water costs, impacts and opportunities
- Cost and carbon savings associated with reusing office fit outs (page 50)
- Integration of ESG into the Dexus Building Technology Strategy
- Modern slavery risk and Dexus's 2020 Modern Slavery Statement
- Our approach to community contribution
- The Dexus 2020 materiality assessment (page 6)
- Investor ESG benchmarks (page 15) and third party ratings

To support the Board ESG Committee, we have established an internal management structure described below.

Sustaining ESG leadership across the Dexus group

Dexus Board

Sets the corporate standard, establishes effective governance, oversees business performance and provides ultimate accountability for the group

Board ESG Committee

Oversees the implementation and management of sustainability/ESG practices and initiatives throughout Dexus

Group ESG Committee

Coordinates the implementation and management of sustainability/ESG practices and initiatives throughout Dexus

| Climate Resilience Working Group | Modern Slavery Working Group | Energy Procurement Working Group | Social Impact Working Group |
|---|---|--|--|
| Responsible for monitoring climate-related risks and opportunities relevant to the group and coordinating climate-related management activities | Responsible for coordinating the group's approach to identifying, assessing and addressing modern slavery risk in Dexus operations and supply chain | Responsible for implementing a group-wide energy procurement approach and coordinating ongoing procurement practices for electricity and natural gas, while integrating a transition to clean energy | Responsible for implementing the group's social sustainability strategy including customer and supply chain sustainability, and community contribution |

Human rights

We reviewed policies that apply to 100% of our operations against the Corporate Human Rights Benchmark, to ensure that our approach is aligned with expected best practice. The review indicated strong alignment with the benchmark, resulting from our comprehensive annual reporting and recent enhancements to our Human Rights Policy.

Translating our policy commitments into action, in FY20 we delivered modern slavery training to all Dexus employees. The training was an important step to ensuring that our people understand how to identify risk factors for modern slavery in Dexus's operations and supply chain, and how to report any concerns they may have. More information about how we are managing modern slavery risk in our supply chain is provided on page 43.

Sustainable investment

The Australian bushfire season of 2019–20 significantly raised the profile of climate change and confirmed the concerns of many in the investment community regarding climate risk.

The increasing awareness of climate risk, the social impacts of the COVID-19 pandemic, and the challenges of addressing modern slavery have all contributed to increasing investor interest in how businesses like Dexus are managing ESG risk and positioning themselves for sustainable growth.

Through the Dexus Sustainability Approach, we have long recognised the importance of ESG for sustained value creation. We engage with current and prospective investors to hear about their ESG priorities and concerns, discuss the implementation of our sustainability approach, and gain broader insights on how ESG is impacting local and global markets. Issues discussed with key investors during FY20 included:

- Dexus's response to the Australian bushfire crisis, and its climate resilience approach as described in our *Towards Climate Resilience* report

- Dexus's management of supply chain modern slavery, most notably cleaning and security service providers
- Dexus's approach to managing customer and employee issues emerging from the COVID-19 pandemic

We participate in several investor ESG surveys for the purposes of benchmarking our sustainability performance, communicating our sustainability credentials and understanding how we can continuously enhance our sustainability approach. We are proud to have achieved the highest possible standing across our key ESG benchmarks in the industry, as summarised below.

ESG benchmark

Signatory of:



FY20 performance summary

Dexus group ratings from the Principles for Responsible Investment include:

- A+ score across Strategy and Governance
- A+ score for our approach to responsible investment across our Direct Property portfolio



Dexus group ratings from the Global Real Estate Sustainability Benchmark include:

- Dexus Office Trust recognised as the Global Sector Leader for listed office entities and was ranked 1st global listed entity across all asset classes/sectors
- Dexus Wholesale Property Fund was ranked the Overall Global Sector Leader for diversified office/retail entities



Dexus's position on the Dow Jones Sustainability Index (S&P Global Corporate Sustainability Assessment):

- Global Industry Leader for real estate (1st out of 252 invited real estate companies)



Dexus group's rating from CDP Climate Change:

- Included on the CDP Climate A List (Leadership A score)



Dexus Place,
Brisbane

Leading Cities



A high-quality portfolio that contributes to economic prosperity and supports sustainable urban development across Australia's key cities

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\$32.0bn

Value of group property portfolio

96.5%

Dexus office portfolio occupancy

\$1.5bn

Gross Value Added (GVA) to the Australian economy

9,227

Construction jobs supported

\$10.6bn

Group development pipeline

Learn more



Key elements of our approach to Leading Cities, including transactions due diligence, development activities, and stakeholder engagement procedures are described in the Sustainability Approach and Procedures section at pages 108–115.

Dexus's capacity to create value is closely linked to the overall growth and prosperity of the cities where we operate.

An investment in Dexus is an investment in Australia's cities. Our property portfolio is concentrated in the central business districts (CBDs) of Australia's major cities and we believe these locations are where our customers want and need to be. We are Australia's largest owner and manager of prime office property with 1.8 million square metres of office space spanning 51 office properties, covering the CBDs of Sydney, Melbourne, Brisbane and Perth.

One of the key megatrends positively influencing our business model is urbanisation, which informs our strategy to deliver superior returns from high-quality real estate located in Australia's major cities.

Australia's major cities support hundreds of thousands of businesses and millions of jobs, contributing around 80% to national GDP. Our Leading Cities objective recognises that our value creation potential is closely linked to the sustainability of cities defined by their amenity, ease of access, and as a place to do business.

Cities deliver economic prosperity through enhancing opportunities for collaboration and supporting the exchange of knowledge and ideas. We contribute to this prosperity through the delivery and management of world class properties that attract high calibre customers whose businesses support local, regional and national economies. We expand our reach through engaging with local communities, authorities and industry associations and collaborating to share insights and lift urban development standards.

One of the key megatrends positively influencing our business model is urbanisation

There is a mutual relationship between the growth drivers of cities and the role that we play in shaping our cities for the future as desirable places to live, work and play. Our development of high-quality properties across Australian cities has demonstrated how sustainable development can support long-term value creation.

The group's \$10.6 billion development pipeline includes a number of city-shaping projects. This pipeline provides us with the opportunity to enhance future returns by growing the core property portfolio and those portfolios managed on behalf of our third party capital partners, while contributing to job creation and the economic growth of our cities.

Delivering FY20 Leading Cities commitments

Each year, we set commitments that indicate how we will deliver on our objective of Leading Cities.

| FY20 Commitment | Status | FY20 Progress |
|---|--------|---|
| Maintain Dexus office portfolio occupancy at or above 95% | ● | Dexus office portfolio occupancy was 96.5% at 30 June 2020 (FY19: 98.0%). |
| Create city retail precincts that improve the amenity and vibrancy of our CBDs | ○ | Commenced the retail redevelopment of the MLC Centre, which will enhance the street appeal and community offering in the Sydney CBD. |
| Contribute to economic growth through the generation of employment and contribution to GVA from development projects | ● | Dexus's group development pipeline delivered \$1.5 billion GVA to the Australian economy and supported 9,227 construction jobs in FY20. |
| Contribute to the creation of cities of the future through the development of four precincts that are defined by human activity, comfort and culture, with people connecting to each other and to place | ○ | Progressed the planning and development of four city-shaping precincts including 60 Collins Street, Melbourne, Waterfront Brisbane, Central Place Sydney, and Pitt and Bridge Precinct, Sydney. |

Key

● achieved ○ not achieved ● progressed

FY21 commitments

- Maintain office portfolio occupancy above the Property Council of Australia market average
- Progress city-shaping precinct projects in Sydney, Brisbane, Melbourne and Perth that improve the amenity and vibrancy of Australia's CBDs
- Grow industrial precincts to meet the demand for high-quality, well-located logistics facilities across the east coast of Australia
- Contribute to economic growth through the generation of employment and contribution to GVA from development projects



Waterfront Brisbane
(artist's impression)

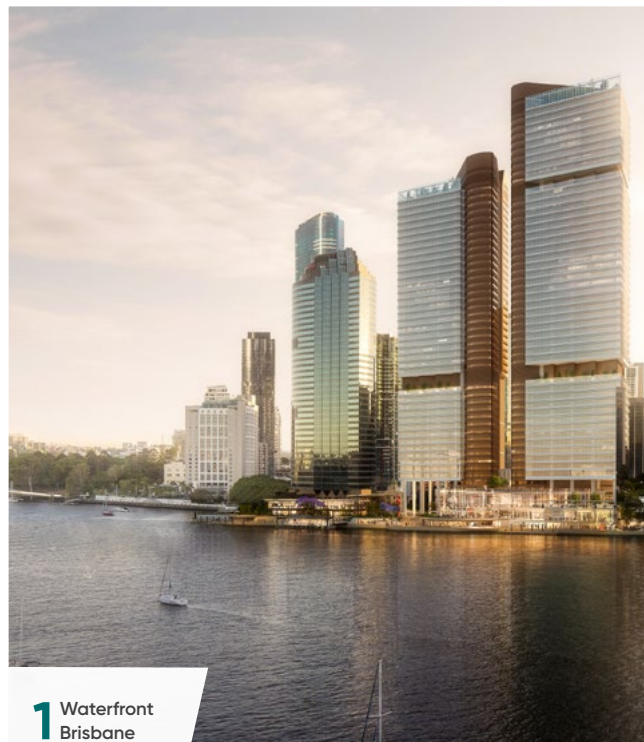
Creating leading city precincts

At Dexus, we believe that our properties act as important community precincts that enhance urban amenity. When we redevelop urban precincts, we seek to lift the benchmark for sustainable development.

1 Waterfront Brisbane

Waterfront Brisbane involves a major redevelopment of the Eagle Street Pier which will make way for two office towers and unlock the considerable potential of this Brisbane CBD gateway site. Waterfront Brisbane will be a great outcome for Brisbane with the renewal of the city's premium business district, a vibrant retail and public space, activation of the river and improvements to the Riverwalk.

Waterfront Brisbane is targeting a 6 Star Green Star Design & As Built rating, signifying "World Excellence", and aims to set a new standard for urban sustainability in Brisbane. Concept planning is considering how leading-edge technologies can support the precinct's net zero aspirations and minimise its environmental impact. The development is targeting a 5.5 star NABERS Energy rating and 4 star NABERS Water rating.



1 Waterfront
Brisbane

2 Central Place Sydney

Central Place Sydney is a major commercial development underpinning the delivery of Tech Central, Sydney's new innovation and technology precinct. Dexus is progressing the integration of the NSW Government's plans to revitalise Sydney's Central Station through the redevelopment of its Lee Street Properties and Henry Deane Plaza in partnership with Frasers Property Australia into a large scale, mixed-use development integrating a transport and pedestrian solution. The project has moved to Stage 3 under the NSW Government's Unsolicited Proposal process and an architect has been appointed following a design competition. Central Place is targeting net zero base building emissions through an all-electric design powered from 100% renewable energy sources. The proposal includes the following sustainability performance ratings:

- 6 Star Green Star Design and As Built
- 5.5 star NABERS Energy rating, with a stretch goal of 6 stars
- 4 star NABERS Water rating



2 Central Place
Sydney

3 North Shore Health Hub 12 Frederick Street, St Leonards

The North Shore Health Hub is a state-of-the-art healthcare facility for auxiliary medical services supporting existing infrastructure in a growing healthcare precinct, with the provision for 275 medical-related jobs.

The North Shore Health Hub is targeting a 5 Star Green Star Design & As Built rating, including the potential for a minimum 100kW rooftop solar array.



3 North Shore Health Hub,
12 Frederick Street, St Leonards

4 Pitt and Bridge Precinct, Sydney

The Pitt and Bridge Precinct in Sydney is a potential office development for Dexus and the Dexus Office Partner on a large 3,300 square metre site located in the financial core of the city. Although planning is still in early stages, Dexus is considering how it can ensure the iconic site showcases sustainable development through targeting the following achievements:

- 6 Star Green Star Design & As Built
- WELL Platinum Building Rating (Shell & Core v2)
- Net zero emissions by 2030
- 5.5 star NABERS Energy rating
- 4 star NABERS Water rating
- Exceeding code requirements for indoor environmental quality



4 Pitt and Bridge Precinct,
Sydney



Q Case study

80 Collins Street,
Melbourne

Expanding our Melbourne footprint, enhancing future returns

Dexus expanded its footprint in the core of the Melbourne CBD through establishing a new joint venture with a third party capital partner to acquire an iconic office building, progressing developments and attracting new customers, enhancing and embedding future value for investors.

In FY20, Dexus established a new Joint Venture with GIC that acquired a 50% interest in Rialto Towers at 525 Collins Street in Melbourne. Rialto Towers is a prime-grade, 55 storey building and is one of the largest office buildings in Melbourne's CBD. The property is expected to benefit from the positive supply-demand dynamics of Melbourne's office market over the long term.

The 'Paris end' of the Melbourne CBD is a prominent precinct of the city, with Dexus progressing key city projects at 80 Collins Street, 60 Collins Street, and 180 Flinders Street, due for completion in late August.

80 Collins Street

- 80 Collins is a large-scale project comprising two office towers, a luxury retail precinct and a boutique hotel
- The site was acquired in May 2019 on a development fund-through basis and will deliver a completed project with the leasing of vacant space being undertaken by Dexus
- The 38-level premium office tower (South Tower) was completed in March 2020 and is 95% committed, attracting quality tenants including Herbert Smith Freehills (HSF), Macquarie Bank, McKinsey & Company and DLA Piper
- The existing North Tower is currently 100% occupied

60 Collins Street

- 60 Collins Street comprises 52 and 60 Collins Street which were acquired by Dexus in September 2018, providing the unique opportunity to consolidate the two adjacent sites to create modern office space and quality amenity to a prominent section of Collins Street
- Dexus obtained Development Approval from the Victorian Government to unlock this unique opportunity to deliver approximately 27,100 square metres of Premium grade office space over 25 levels
- As part of the development, the heritage listed terrace at 52 Collins Street will be retained, and a new through lobby connection will establish a link between Collins and Little Collins Street

180 Flinders Street

- 180 Flinders Street is an existing property that was identified as a site that could be repositioned through development and leasing
- The development spans circa 20,300 square metres of prime office space and vibrant laneway retail amenity, comprising a new 10-storey A-Grade office tower, extensive refurbishment of the existing buildings at 189 and 180 Flinders Street and restoration of the heritage façade
- Dexus secured John Holland as the anchor tenant in March 2018, and the property is now 72% committed ahead of its completion in August 2020.



1 Foundation at Truganina,
Truganina, VIC



2 Horizon 3023,
Ravenhall, VIC



3 Freeman Central,
Richlands, QLD



4 Loop,
South Granville, NSW



5 Lakes Business Park South,
Botany, NSW



6 Cumberland Green,
Rydalmere, NSW



Case study

Progressing Dexus industrial developments

Strong demand for high quality logistics facilities to support the growing needs of e-commerce and other growth businesses has underpinned the activation of Dexus's industrial developments across the east coast of Australia.

In FY20, Dexus progressed the following industrial developments:

1 Foundation at Truganina, Truganina, VIC

(Dexus 100%)¹

Progressed the build out of Stage 3 of the estate, with circa 70,000 square metres of development including:

- A long-term built to lease facility for AS Colour across circa 18,800 square metres, due for completion in October 2020
- A circa 7,300 square metre 5 Star Green Star certified facility for Coles completed in July 2020, with plans for a 600 kW solar photovoltaic array
- A circa 26,600 square metre facility for eStore Logistics
- A circa 8,200 square metre facility for Opal (SPG) (formerly Orora), completed in June 2020
- A circa 9,200 square metre facility for Dunlop Flooring completed in September 2019

2 Horizon 3023, Ravenhall, VIC

(Dexus 25.5%, Dexus Australian Logistics Partner 24.5%, DWPF 50%)

- Progressed civil and infrastructure works, delivering 37 hectares of developable land
- Secured Scalzo for a purpose-built facility across circa 35,000 square metres, with construction underway and due for completion in early 2021
- Committed a high-quality customer for a purpose-built facility across circa 25,500 square metres, due for completion in mid-2021
- Commenced construction of built to lease facility across circa 36,700 square metres

3 Freeman Central, Richlands, QLD

(Dexus 51%, Dexus Australian Logistics Partner 49%)

- Commenced construction of the first stage of a built to lease industrial estate spanning circa 54,800 square metres across five units
- The first stage will deliver three facilities across circa 32,000 square metres, with a target completion date in late 2020, committing a customer for circa 12,200 square metres

4 Loop, South Granville, NSW

(Dexus 51%, Dexus Australian Logistics Partner 49%)

- Commenced construction across circa 57,100 square metres over four buildings, targeting completion in early 2021
- Secured a large pre-commitment lease with Winit prior to the commencement of construction of a facility across circa 20,000 square metres
- Secured further leasing across circa 6,000 square metres, resulting in a 45% commitment across the estate

5 Lakes Business Park South, Botany, NSW

(Dexus 100%)¹

- Completed construction of a new facility across circa 5,000 square metres in December 2019
- Commenced refurbishment of existing facilities, with completion due late 2020
- Leased circa 10,900 square metres of space, resulting in a 75% commitment across the estate

6 Cumberland Green, Rydalmere, NSW

(DWPF 100%)

- Completed the final stage of construction of the estate across circa 11,800 square metres in June 2020
- Leased circa 10,000 square metres of space resulting in an 86% commitment across the estate

This activity builds on Dexus's track record which has seen it develop and lease 47 industrial development projects across 784,000 square metres in Sydney, Melbourne and Brisbane since 2010.

1. Dexus 100% owned at 30 June 2020. Entered into agreement to sell to the Dexus Australian Logistics Trust on 30 July 2020.

Amenity through activation

Sydney Open

Sydney Open is a weekend long celebration of architecture, inviting the public to explore Sydney's most inspiring and significant buildings and spaces, including several Dexus office properties. We invited the community through the doors of our assets at Australia Square and Grosvenor Place, and showcased the futuristic inspiration for the urban landscape with our smart building at 100 Mount Street, North Sydney.

100 Harris Street goes for Better Buildings Cup

During the year 100 Harris Street continued its pursuit to take the inaugural Better Buildings Cup by becoming the happiest, healthiest and most sustainable workplace in Australia.

We worked with customers at 100 Harris Street on initiatives aimed at reducing emissions and improving wellbeing. A standout event was the Sustainable Christmas Gift Market that supported local businesses and promoted a waste-free Christmas.

Following the commissioning of a rooftop solar array at the property in 2019, the property increased its NABERS Energy rating to 5 stars in FY20.

This improvement contributed to Dexus achieving its target of certifying 1,000,000 square metres of office space rating at a minimum 5 star NABERS Energy rating by FY20.

More information on this achievement is provided on page 46.



Sydney Open



Better Buildings Cup

Lifting industry benchmarks

Across Dexus, passionate people contribute their time to collaborate with industry groups at both national and regional levels, contributing to public policy debate on issues that impact the future prosperity, liveability, connectivity and resilience of our cities.

During the year, Dexus CEO, Darren Steinberg, was recognised as the Urban Taskforce Property Person of the Year and granted lifetime membership to the Property Council of Australia. These accolades recognise his longstanding contribution to the property industry and his leadership of Dexus, which has grown to be Australia's preferred office partner.

Our people actively engage with the Property Council of Australia through group initiatives and regular advocacy. Dexus's CEO also continued his role as a member of the Property Male Champions of Change, an initiative to drive greater gender equality in the property industry and increase the number of women in leadership roles. We take an active role in property industry advocacy, with 50 Dexus team members represented across Property Council of Australia committees, roundtables and working groups contributing to discussions on topics such as social and environmental sustainability, diversity, and future directions.

We collaborate with organisations like the Better Buildings Partnership, Investor Group on Climate Change, and the Green Building Council of Australia (GBCA) to raise the benchmark for sustainability in the built environment. During the development of an avocado and banana ripening facility at Foundation at Truganina, Victoria, we collaborated with the GBCA by joining their early access program for the proposed Green Star for New Buildings rating tool. The industrial facility is targeting a 5 Star Green Star rating under the existing rating tool (Green Star Design & As Built), and as part of the early access program we aligned our approach with draft credits from the New Buildings tool. Our participation has provided the GBCA with insights as to challenges and opportunities for further investigating when applying the draft New Buildings tool to industrial facilities. Page 53 explains our use of Green Star at this development and across the group portfolio.

As an active member of the Committee for Sydney, this year we joined the Innovation Fund Partnership which supports the Committee's goal to advance pragmatic and innovative solutions to make Sydney the best city in the world.

The partnership has enabled the Committee to ramp up its research and advocacy program on areas including benchmarking Sydney's performance, reinvigorating Sydney's night time economy, designing a city for women and local government reform in Sydney's Central City.

Our people have also given presentations and participated on panels focused on raising the benchmark for sustainable development and corporate action on ESG, such as:

- 2019 Smart Buildings Summit (November 2019), where Dexus presented on the rollout of its smart building blueprint (page 37)
- Green Building Council of Australia Carbon Positive Partners Conference (November 2019), where Dexus presented its journey to net zero emissions by 2030 (page 45)
- InterBUILD panel discussion on LGBTI+ inclusion in the workplace (October 2019), where Dexus made the case for why inclusion is a catalyst for business performance
- Several remote presentations conducted through the COVID-19 pandemic, including webinars with the Property Council of Australia, Melbourne University and the Asia Pacific Real Estate Association

Our workspace insights hub, Prism at www.dexus.com continued to engage customers, providing insights on trending topics impacting Australian workplaces. Over the past year, we published 41 articles which were viewed over 19,000 times.

Thriving People



An engaged, capable and high-performing workforce that delivers on our strategy and supports the creation of sustained value.

In this section

| | |
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| Employee engagement | 26 |
| Professional development | 27 |
| Inclusion and diversity | 28 |
| Employee health and wellbeing | 30 |

+61

Employee Net Promoter Score

36%

Females in senior and executive management roles

100%

Safety audit score across Dexus workplaces

Our people and our capabilities are central to how we deliver our strategy. We inspire, engage and develop a workforce that embraces our values and lives the Dexus Purpose.

Our Thriving People objective reflects the priority we place on maintaining a healthy, engaged and connected team that sustains an inclusive culture. Our people act as brand custodians and support long-term performance. Aligned to our purpose, our people tell us they are inspired and motivated to create spaces where people thrive.

We understand that diversity brings broad perspectives that lead to better decision-making, and that prioritising diversity enables us to access the widest pool of available talent. Our inclusion and diversity strategy focuses on attracting and retaining the diverse workforce required to succeed in today's ever-changing business environment. We believe that investing in the development of our people and capabilities will create meaningful, fulfilling work for our teams and support the culture required for achieving sustained results. Our leaders set the tone from the top through inclusive leadership that brings the best out of their teams.

Another factor contributing to enhanced performance is a safe and healthy work environment. Our employee health and wellbeing programs reflect the understanding that health is a state of complete physical, mental and social wellbeing.

Our people constantly challenge whether there are better ways of working and are encouraged to action their ideas to achieve business excellence. We reinforce and sustain best practices when it comes to managing risk and embedding a strong risk culture. We believe our strong risk culture is a strength at Dexus, leading to better decision making and fair and ethical outcomes for our customers and stakeholders.

A key focus has been safely and empathically support our people through the COVID-19 pandemic

552

Total Dexus employees

Learn more



Key elements of our approach to delivering our Thriving People objective are provided in the Sustainability Approach and Procedures section at pages 116-122.

Delivering FY20 Thriving People commitments

Each year, we set commitments that indicate how we will deliver on our objective of Thriving People.

| FY20 Commitment | Status | FY20 Progress |
|---|--------|--|
| Maintain employee Net Promoter Score at or above +40 | ● | Achieved average employee Net Promoter Score for FY20 of +61 (FY19: +40). |
| Place internal candidates in more than 20% of available roles | ● | Placed internal candidates into 31% of available roles. |
| Progress toward 40:40:20 gender mix in senior and executive management roles by FY21 (40% female, 40% male, 20% any gender) | ○ | Recorded 36% female representation in senior and executive management roles at 30 June 2020. |
| Maintain recognition as an Employer of Choice for Gender Equality | ● | Recognised as an Employer of Choice for Gender Equality by the Australian Workplace Gender Equality Agency for the third consecutive year. |
| Expand rollout of inclusive leadership training to all people managers | ● | Provided inclusive leadership training, <i>Tackling Unconscious Bias</i> , to all people managers. |

Key

● achieved ○ not achieved ◐ progressed

FY21 commitments

- Maintain employee Net Promoter Score at or above +40
- Place internal candidates in more than 20% of available roles
- Achieve 40:40:20 gender representation in senior and executive management roles by FY21
- Maintain recognition as an Employer of Choice for Gender Equality
- Roll out 'Real Leaders' mental health awareness training for people managers
- Target key talent retention rate of 90% or higher
- Enhance LGBTI+ inclusion through improving standing on the Australian Workplace Equality Index



Employee engagement

Our approach to employee engagement recognises that high performance depends on fostering an inclusive and constructive culture, continuously improving the employee experience by listening to our people and supporting their wellbeing.

Insights from our people

We maintain awareness of our people's views and needs through our Employee Listening Strategy, which is an integrated approach to understanding their experience. This strategy involves periodic employee pulse surveys, providing real time feedback throughout the year so we are quickly able to ensure teams have what they need to thrive at Dexus. In FY20, we measured employee engagement through three pulse surveys, which helped us to:

- Generate a census of our workforce and understanding attitudes toward inclusion and diversity (November 2019)
- Understand concerns about the COVID-19 pandemic and ensuring our people are supported while working remotely (March 2020)
- Assess employee understanding of the Dexus Sustainability Approach, and perceptions about returning to a COVID-safe workplace (June 2020)

The pulse surveys returned an average NPS of +61, an increase from +40 in FY19 and indicating strong engagement from our workforce. Our people told us they experienced an inclusive culture, they have felt supported during the COVID-19 pandemic and that they are aligned to the Dexus Sustainability Approach.

Supporting our people through the COVID-19 pandemic has been an unexpected focus during the year. Most employees were asked to work remotely from March until the end of June 2020, presenting many with challenges. This included difficulty juggling workload with home schooling responsibilities, internet connectivity, increased isolation and maintaining mental health.

Many of these challenges were addressed by the proactive measures we put in place to support employee wellbeing, including:

- The launch of our Safe & Well program (page 31)
- Seminars on the effective use of remote working technology such as Microsoft Teams
- Employee virtual Town Hall meetings on a weekly to fortnightly basis, where all employees could ask questions and receive real time responses from the CEO, executive team members, and the Dexus Chair
- Regular email updates to the business on the COVID-19 pandemic and Dexus's response, with a dedicated intranet hub providing a range of resources and reference materials
- Activities to maintain workplace connections and team cohesion, such as virtual yoga and fitness classes

The confidence that our people have in how we are managing the impacts is testament to our cultural focus on health and safety in our workspaces and across our portfolio. Additional activities related to employee health and wellbeing are described on page 31.



Professional development

Dexus actively supports internal career planning, development and learning opportunities for our people. During the year, we placed internal candidates in 31% of available roles.

We also support a range of professional development opportunities to ensure that our people are equipped with the skills necessary to do their job, and to enable our people to grow and further develop their talents.

In May 2020, we rolled out inclusive leadership training to all people managers. *Tackling Unconscious Bias* defined the characteristics of an inclusive work culture, identified the benefits of workplace inclusion and diversity, and provided guidance on how to become more inclusive leaders in the workplace.

The same month, a broader training program was delivered to all employees. *Understanding Diversity and Inclusion* educated our people about the characteristics of an inclusive workplace, the benefits of inclusion and diversity, and how to become more inclusive team members.

We continued to deliver a range of management and leadership programs, including the Dexus Leadership Academy. In April 2020, we launched the People Managers' Forum, an interactive webinar series to keep managers informed, prepared and capable of supporting their teams with the latest workplace protocols, people management processes, policies and support tools.

Educating our people on sustainability

In March 2020, Dexus launched its annual Creating Change program to support employee understanding of our sustainability approach. Through a series of seminars, workshops, social events, and interactive challenges, Creating Change educates employees on how sustainability is integrated across the business.

A highlight of the program was 'Developing the cities of tomorrow', a panel discussion featuring representatives from City of Sydney, Ethos Urban, and Dexus senior management. The panel discussed the importance of achieving net zero emissions and designing cities and buildings for wellbeing. The engaging session was attended by over 100 employees either in person or virtually.

Case study

Dexus certifies its new Business Excellence Champions

Dexus launched its Business Excellence Champions program in FY19 to equip select staff with the skills necessary to lead change across the business.

The program borrows from Lean Six Sigma principles and involves project teams tackling real-world challenges that the business is facing. Some of the challenges considered by the program include optimising information access, improving forecasting processes, and enhancing internal data validation procedures.

The program completed in February 2020, with 22 Business Excellence Champions certified in a ceremony at Dexus head office in Sydney.

Feedback on the program was overwhelmingly positive, with participants enjoying learning new tools and techniques, working with others across the business, and helping to fix real business problems.

The newly accredited Business Excellence Champions are now embedded throughout the business, leading the change required for Dexus to stay ahead of the curve in today's quickly evolving environment.

22

**certified
Business Excellence
Champions**

Inclusion and diversity

Our approach to inclusion and diversity allows us to harness different perspectives for better decision-making, as well as providing access to the widest pool of available talent. Our people identify with a variety of different cultural and ethnic backgrounds, and we aim to build a diverse workforce that reflects our customers and communities.

Gender diversity

Dexus is proud to have been recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency for the third consecutive year. This recognition is a result of our active commitment towards workplace gender equality through organisation-wide programs, policies and initiatives that have contributed to the creation of a diverse and inclusive workplace, such as:

- Formal and informal flexible working arrangements
- Programs to support gender balanced representation at all levels of the organisation
- Robust processes to address gender pay equity
- Tailored parental leave policies to support use by women and men
- Initiatives to support parents on leave and returning to work, including the 'Dexus Dads' network
- Continuity of superannuation contributions to primary carers throughout the parental leave period
- Partnering in a STEM+ program at 100 Mount Street, North Sydney encouraging girls to pursue a career in property
- Reporting of gender equality metrics for senior management and the Board

Dexus was also recognised as a Top 100 company for gender quality globally by Equileap. More information on our approach to gender diversity at Dexus is provided on page 119.

At 30 June 2020, Dexus achieved 36% female representation across senior and executive management roles. We are mindful that this percentage has decreased since FY19 and remain committed to achieving our target of 40% female representation for these roles by FY21. We continue to regularly monitor and adjust our processes, practices, policies and programs to ensure workplace gender equity is maintained at all levels of the business.



Diversity beyond gender

Dexus is committed to building a culturally inclusive workplace and continues to track the diversity of our workforce across a range of factors including cultural background, country of origin, sexual orientation, gender identity and age. Diversity statistics for our workforce are provided from page 63.

A key development in FY20 was the establishment of TRIBE, a Dexus employee network for LGBTI+¹ employees and allies, explained further in the case study.

During the year we recognised key culturally significant holidays or campaigns including Harmony Day, National Reconciliation Week and Lunar New Year, where our people took part in celebrations hosted in Dexus offices around the country.

Embracing celebrations of cultural or religious significance reinforces our commitment to building a culturally inclusive workplace.



Case study

TRIBE emerges for LGBTI+ inclusion

The Dexus TRIBE network was established in August 2019 to promote LGBTI+ inclusion, enable psychological safety in the workplace, and act as a forum for advising Dexus on responses to LGBTI+ issues that impact our people.

The network is open to all employees across the group, including those who identify as LGBTI+ and allies who want to be visible and show support. Membership has already grown to 65 Dexus employees across Australia. TRIBE members have come together to drive LGBTI+ inclusion at key events such as Wear It Purple Day, Fair Day and the Sydney Gay and Lesbian Mardi Gras.

The Dexus TRIBE has also aligned with InterBUILD, which aims to be the leading building, construction and property industry network driving LGBTI+ inclusion. TRIBE supported the work of InterBUILD at an information stall at Mardi Gras Fair Day in February 2020, as well as hosting a webinar on the Religious Discrimination Bill on behalf of InterBUILD in May 2020.

TRIBE continues to grow and expand its influence on inclusion at Dexus. The network, which has an active executive sponsor from the Group Management Committee, participated in the Australian Workplace Equality Index for the first time in 2020 and will use the benchmark to enhance its strategy into the future.

TRIBE A Dexus employee network to promote LGBTI+ inclusion



InterBUILD

1. LGBTI+ stands for lesbian, gay, bisexual, transgender, and intersex, with the + intended to include the total diversity of sexual orientations and gender identities.

Employee health and wellbeing



Dexus prioritises health and safety across its workplaces and supports the physical, mental, financial, and work wellbeing of our people. In FY20, we upgraded the health and safety management system used in our workplace and across our portfolio to the ISO 45001 standard. Led by our Workplace Health, Safety and Environment Committee, which met four times in FY20, Dexus achieved a safety audit score of 100% across our corporate and management workspaces.

Our Group Scorecard supports health and safety through maintaining commitments to a safety culture across our business. Our goal is a 'no harm', safe work environment with zero fatalities, and in FY20 we recorded zero fatalities and no lost time injuries. Health and safety statistics for the Dexus workforce are provided at page 67.

Every year, Dexus issues Safety Awards to employees who demonstrate a strong commitment to safety in our workplace and at our properties. Some of the winners in FY20 focused on:

- Enhancing safety at Willows Shopping Centre by preventing unauthorised access to rooftop areas
- Championing mental health initiatives around our workplace
- Ensuring safe workspaces are provided at our Dexus Place locations

Many Dexus employees were impacted by the bushfires in the summer of 2019-20. Dexus put in place health and wellbeing initiatives to support employees through challenges that they may have been experiencing and provided special leave entitlements to allow employees to volunteer or contribute to recovery efforts. Dexus also matched employee donations to bushfire relief initiatives that supported affected communities.

Our new Safe & Well program

During the year, Dexus established the Safe & Well program to support the mental, physical, financial and work wellbeing of our people. Safe & Well provides a breadth of resources freely accessible to Dexus employees in one accessible location, designed to help them develop and maintain a healthy level of wellbeing. These resources are offered alongside Dexus's employee assistance program through a partnership with Benestar, a confidential counselling and coaching service available to all employees and their families.

Safe & Well supports **mental wellbeing** through access to services and information from mental health groups, mindfulness tools, and educational modules on managing stress and personal resilience.

The program also supports **physical wellbeing** through medical offerings such as flu vaccinations, private health insurance discounts, and resources on nutrition and fitness.

Financial wellbeing is also supported through the Employee Share Ownership Plan, access to benefits provided by Dexus's preferred superannuation provider, and learning modules about the pillars of financial foundations.



Safe & Well supports **work wellbeing** through promoting clarity, connection and collaboration. Clarity is achieved between employees and their managers through our 3+1 approach to setting personal objectives (page 117), as well as our check-in culture. Connection refers to the many social and networking events that we hold to encourage connections within teams, throughout Dexus, and across the broader industry. Collaboration is encouraged through the systems that we have put in place to support our people when working together on key projects and continuously enhancing our workplace processes.

Safe & Well has been welcomed by our people and has taken on increased importance since the onset of the COVID-19 pandemic.

Case study

Our people lend a Helping Hand

Our people come to work to create spaces where people thrive. This focus on thriving is evident at our workspaces, across our portfolio, and in the broader community, through the work we do to meet our stakeholders' needs and deliver a positive impact.

At our annual Whole of Company Conference, we broadened our impact further by partnering with the Helping Hands Project to create prosthetic hands for amputees in developing countries. Unfortunately, landmine accidents happen at a rate of once every 20 minutes, and 75% of survivors (many of whom are children) will have at least one amputation.

At the conference, our people constructed 100 new prosthetic hands based on a lightweight and durable patented design (LN-4). The hands were quality checked by the Helping Hands Project and delivered to impacted children around the world.

The children received the hands in decorative cases with a personalised message of inspiration from our people.



Future Enabled Customers and Strong Communities



Building a strong network of customers, communities and suppliers, who support Dexus and are positively impacted by Dexus.

In this section

| | |
|--------------------------|----|
| Future Enabled Customers | 33 |
| Strong Communities | 38 |
| Supply chain management | 40 |

+50

Customer Net Promoter Score

>3,800

Customers

>\$1.1m

Value of community contribution

>2,000

Supplier partnerships

Dexus's capacity to create value depends on how well we support customer success, the strength of local communities and the capabilities of our suppliers.

Our Future Enabled Customers and Strong Communities objective recognises the importance of listening to our customers, supporting the local communities where we operate, and extending the impact of our sustainability approach down our supply chain.

We understand how high-performing workspaces enhance employee productivity and drive business success. We focus on maintaining high levels of customer satisfaction by listening to our customers and understanding their needs. We aim to meet these needs by providing products and services that enable our customers to succeed today and into the future.

The relationships we build with local communities are important, as these communities visit our properties and deliver the activity and vibrancy that makes them leading destinations. We support our retail centres to act as community hubs, providing the gathering space essential for community cohesion and wellbeing.

Our success would not be possible without the support of our many suppliers, which includes facility management partners, operational service providers, construction workers, and providers of building materials and office equipment. We partner with our suppliers to achieve operational efficiencies, enhance customer amenity and deliver strong sustainability performance. We prioritise worker health and safety and assist our suppliers in managing other risks in our supply chain.

We focus on maintaining high levels of customer satisfaction by listening to our customers and understanding their needs

Learn more



More information on our approach to customer engagement and experience, community contribution, and supply chain management is provided in the Sustainability Approach and Procedures on pages 123–136.

Future Enabled Customers

Delivering FY20 Future Enabled Customers commitments

Each year, we set commitments that indicate how we will deliver on our objective of Future Enabled Customers.

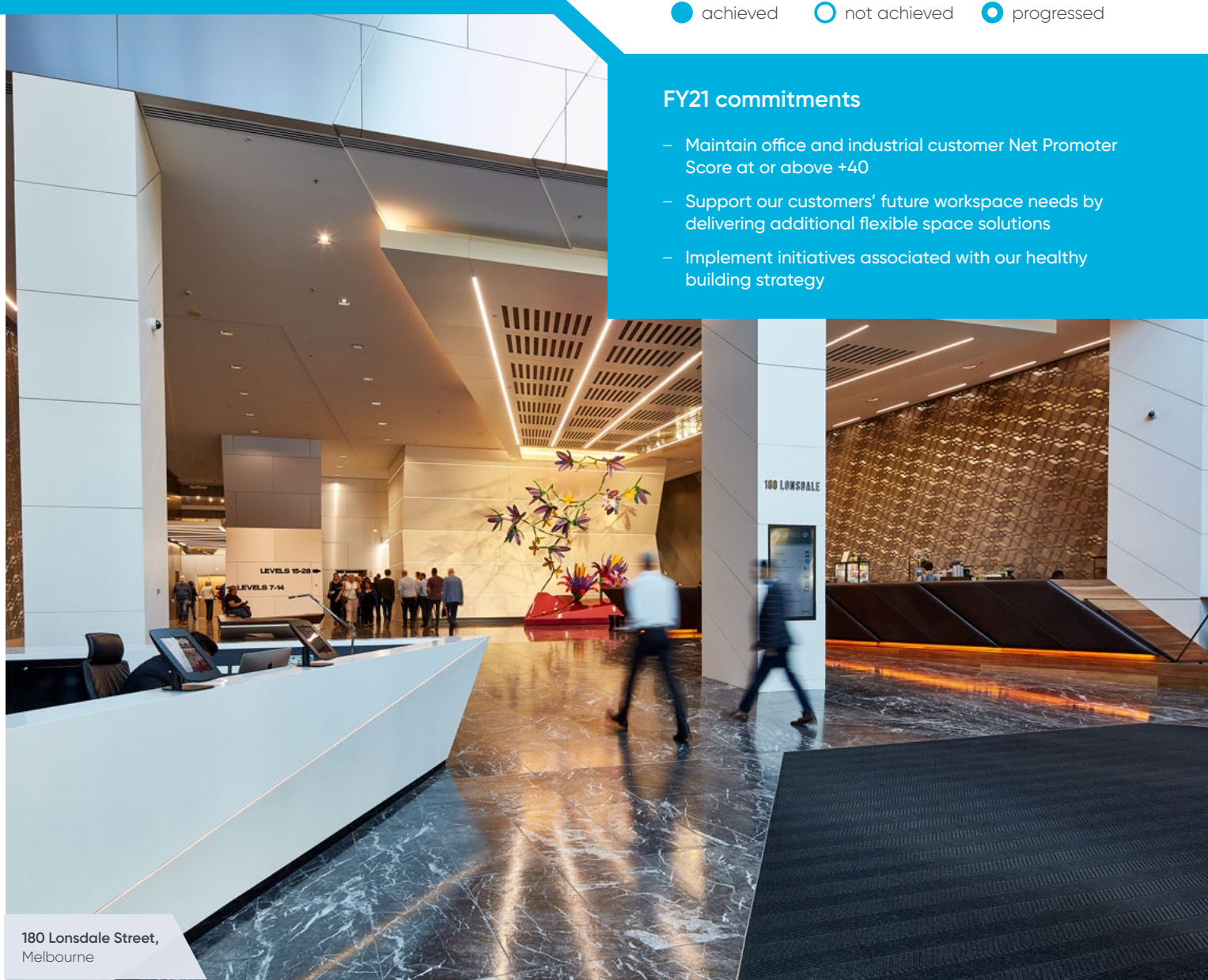
| FY20 Commitment | Status | FY20 Progress |
|--|--------|--|
| Maintain office and industrial customer Net Promoter Score at or above +40 | ● | Achieved a customer Net Promoter Score of +50 (FY19: +46). |
| Maintain office and industrial customer satisfaction score above 8 out of 10 | ● | Achieved an average customer satisfaction score of 8.6/10 (FY19: 8.6/10). |
| Implement a new workplace consulting offer to help our customers to leverage their premises for business success | ● | Launched Six Ideas by Dexus, our workplace consultancy offering that is already assisting Dexus, its customers and developments on how to leverage workspaces for success. |
| Strengthen customer communities through a program of activations within the foyers of our office properties | ● | Delivered a program of activations in the foyers of our office properties, headlined by our Christmas food drive with Foodbank. |

Key

● achieved ○ not achieved ● progressed

FY21 commitments

- Maintain office and industrial customer Net Promoter Score at or above +40
- Support our customers' future workspace needs by delivering additional flexible space solutions
- Implement initiatives associated with our healthy building strategy



Customer satisfaction and feedback

We know that our customers are more likely to be satisfied when we listen to their concerns and cater for their needs. We design workspaces with customer productivity in mind and offer a range of supporting products and services curated to lift the performance and wellbeing of our diverse customer base.

This year, our annual customer survey across our office and industrial portfolios returned a customer Net Promoter Score of +50, an increase on last year's result of +46. Average satisfaction with property management was 8.6/10, consistent with FY19.

Our customers told us they enjoyed the Dexus experience and provided feedback for us to consider as we continuously enhance our offering. Some of our customers' favourite activations that helped them thrive through FY20 include:

- Activities that supported important causes such as the Australian bushfire appeal and Foodbank (page 38 contains more information on our community contribution)
- End-of-year celebrations, networking events and marking moments of significance (e.g. National Reconciliation Week, Sydney Gay and Lesbian Mardi Gras) to strengthen communities within our properties
- Several offers and giveaways provided by Dexus retailers
- Health and wellness classes including remote classes and on-demand workouts during the COVID-19 crisis

In March 2020, we completed the final stage of our multi-year technology systems upgrade and consolidation project, Program One. Customers now enjoy access to the Customer Support Centre, which is a centralised location to manage service requests and find important information about their relationship with Dexus. The upgrade enables our customers to easily raise and track service requests, update their details, and retrieve information about their lease, tenancy payments and invoices.

We also work closely with customers to improve their sustainability awareness and performance. We have embedded green leasing within our precedent lease and encourage customers to collaborate with us on integrating sustainability within their workspaces. In FY20, 97% of new customer leases included a green lease clause.

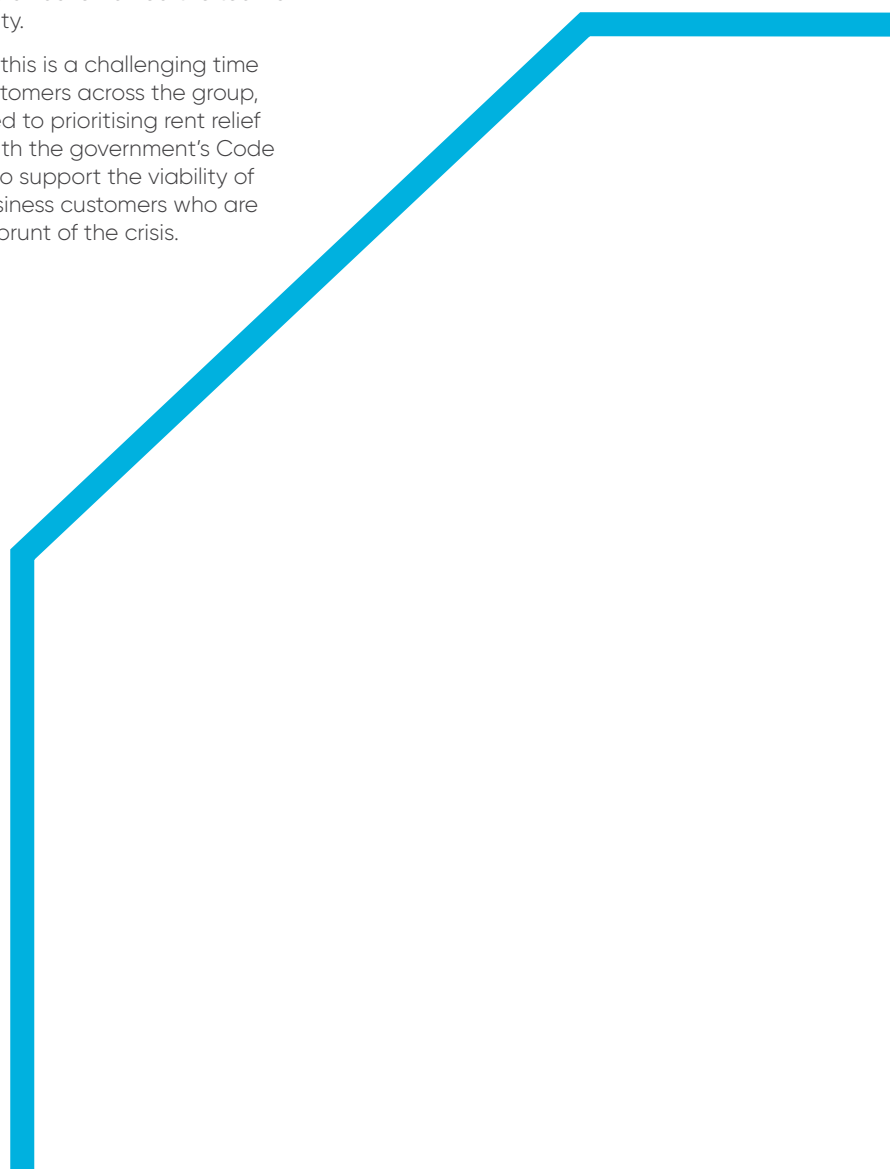
Retailer satisfaction

Since 2018, we have conducted retailer engagement surveys to better understand satisfaction levels across our managed retail portfolio. In FY20, we achieved a retailer NPS of +35 and a survey response rate of 79%.

Satisfaction in relation to Dexus management was reflected by 83% of our retailers being satisfied with centre management and 71% of our retailers being satisfied with our shopper marketing efforts. Many retailers value the interaction with the Dexus management teams and are seeking more social engagement opportunities with other retailers in their retail centres.

Throughout the COVID-19 crisis, our retail management team has been highly engaged, supporting our retailers on the ground to manage the implementation of restrictions. Important health signage was rolled out swiftly along with hand sanitiser stations, and regular retailer engagement was adopted to ensure all retailers were informed of the changing situation. The health, wellbeing and safety of our employees, retailers, shoppers and customers has remained the team's highest priority.

Recognising this is a challenging time for many customers across the group, we committed to prioritising rent relief consistent with the government's Code of Conduct to support the viability of our small business customers who are bearing the brunt of the crisis.





Case study

Supporting our customers' needs through the COVID-19 crisis

A top priority in dealing with the COVID-19 crisis was to ensure the health, safety and wellbeing of customers, employees and people visiting our buildings.

Dexus took proactive steps at its properties to deliver COVID-safe environments in line with government guidelines, implementing measures to prevent the spread of the pandemic including:

- Increased cleaning in high touch points, including food courts and bathrooms
- Touchless sanitiser stations in office lobbies
- Prominent signage advising physical distancing requirements
- Regulating lift occupancy and people traffic management in lobbies
- Additional cleaning packages for individual tenancies

Despite occupancy numbers being lower than normal during the lockdown period, Dexus continued to deliver high levels of service with buildings kept operational and essential services continuing.

This ensured customers had the flexibility to access their offices and buildings were quick to reactivate when customers began their return to the office.

To further support the wellbeing of occupants, popular building community activities, such as yoga and fitness classes, were offered virtually

Regular communications ensured customers were kept up to date on the government regulations and operational changes. Customer surveys helped Dexus to understand future building physical occupancy levels and customers' expectations, and informed strategies for a smooth transition into and out of the lockdown period.

During the easing of restrictions, in Sydney, Brisbane and Perth Dexus closely engaged with the Property Council of Australia and Safe Work Australia on developing the guidelines for office buildings and workspaces, including issues such as lifting and end of trip facilities.

An independent health expert was engaged to review the processes for end-of-trip facilities, bike storage rooms, lifts and lobbies, food courts and bathrooms to enable them to re-open.

The measures undertaken to ensure the safety of building occupants gave customers increased confidence to return to their workplaces safely and with confidence.

Following a significant increase in COVID-19 cases across Melbourne and regional Victoria since June 2020, our facilities management team continues to provide onsite support for all of our customers, ensuring compliance with the new restrictions in Melbourne and regional Victoria.



The Bond,
Sydney

Launch of Six Ideas by Dexus

To be able to provide a more comprehensive service offering to our customers, we launched Six Ideas by Dexus, a strategic workplace and change management consulting service. In its first year of operation at Dexus, Six Ideas has worked with our customers and across our developments to create workplace environments that support organisational and culture innovation.

Recognising the disruption caused by the COVID-19 crisis, Six Ideas by Dexus launched a research study to understand the nature of the working from home experience and the potential for remote working in the future.

The crisis provided a unique, rare opportunity to study what has been a new and unfamiliar experience for many individuals and their employers. The study involved 15 participating organisations across five industry sectors with over 7,500 staff survey responses, nearly all of whom were working from home because of the COVID-19 pandemic. The study is investigating:

- Satisfaction with working from home
- Levels of productivity while working from home
- Desire to work from home, and how that has or has not changed since working from home as a result of the COVID-19 pandemic
- Enablers to work from home effectively
- Challenges of working from home

Six Ideas by Dexus intends to complete the research in FY21 and provide an evidence base for forecasting future trends in workplace. In particular, they are interested in whether there is an opportunity to conceive a new way of working that learns from the work from home experience during the pandemic, rather than reverting back to pre-pandemic business as usual, and the potential for blending virtual and physical ways of working.

Our smart building blueprint relies on six interconnected pillars that we know are important to our customers: safety, sustainability, productivity, experience, wellbeing and connectivity



Q Case study

A touchless, frictionless customer experience

How people interact with buildings has vastly changed over the past months due to concerns arising from the COVID-19 pandemic.

Innovation led by the public demand for remote and touchless operations continue to drive the development of new products and solutions for buildings.

Dexus is among the first in Australia, to create a fully integrated touchless experience in an office building. Gateway Sydney, now uses 3D fingerprint technology to scan occupants' handprints to create a unique algorithm, eliminating the need for office passes swiping across surfaces and touching of lift buttons. From car park boom gates, lift security, access to offices and end-of-trip facilities (including bike storage rooms, bathrooms and lockers), this biometric touchless technology creates a frictionless experience for customers.

Dexus determines the best use of technology not just for its suitability for one building, but its scalability across the portfolio. The team is assessing the feasibility of this integrated touchless technology at other buildings in its portfolio and in future developments. Through its scale, Dexus can improve commercial outcomes and ultimately offer a smooth and consistent experience for our customers.

Staying at the forefront of property technology

The rate of change and value that technology is bringing to our business is a key focus for Dexus. In FY20 we announced two partnerships that are aimed at accelerating Dexus's digital transformation:

- **SparkBeyond** – a leading artificial intelligence (AI) technology firm with proven technology to provide deep insights, solve problems and drive high value data driven decisions for businesses
- **Taronga Ventures** – a real estate innovation and venture capital firm, and its RealTechX Growth program, an innovation program set to propel emerging real estate technology businesses in Australia and Asia

The COVID-19 pandemic has accelerated the demand and need for technology and innovation to deliver enhancements to buildings for the health and wellbeing of occupants in their workplaces. Leveraging our new partnerships' technologies, we aim to change the way decisions are made across our business while helping create healthy buildings for our customers, enabling us to secure first-mover advantage on next generation technology solutions.

Our smart building blueprint

At Dexus, we leverage technological change for the long-term benefit of our workspaces, securing the relevant game changers that enhance the customer experience. Our smart building blueprint relies on six interconnected pillars that we know are important to our customers: safety, sustainability, productivity, experience, wellbeing and connectivity.

We launched the smart building blueprint at 100 Mount Street, North Sydney last year, combining the latest technology in smart sensors and connectivity including a dedicated Internet of Things platform. The experience at 100 Mount Street demonstrated that one of the most beneficial outcomes of the new property technology is connectivity. Several customers opted to choose Dexus as their connectivity provider, demonstrating the opportunities to leverage technology to meet customer needs beyond simply providing workspace. Other smart building blueprint initiatives rolled out include the installation of premium mobile phone technology at the MLC Centre in Sydney and biometric access technology at 100 Mount Street and Gateway Sydney.

Strong Communities

Delivering FY20 Strong Communities commitments

Each year, we set commitments that indicate how we will deliver on our objective of Strong Communities.

| FY20 Commitment | Status | FY20 Progress |
|--|--------|---|
| Support the communities in which we operate through contributions valued at more than \$1,000,000 | ● | Contributed over \$1.1 million in value through donations, volunteering and the use of our spaces to support community causes. |
| Identify a new community partnership aligned to the interests of our people and customers | ● | Donated circa 3,000 meals through a national partnership with Foodbank. |
| Expand industry partnership initiatives that actively promote science, technology, engineering and mathematics (STEM) to girls | ● | Committed to expand the STEM+ partnership initiatives to our developments at 80 Collins Street, Melbourne and MLC Centre, Sydney. |

Key

● achieved ● not achieved ● progressed



Case study

Foodbank – Fighting to reduce hunger

Dexus joined the fight to reduce hunger in Australia, partnering with Foodbank, Australia's largest food relief organisation to provide support to those in need during the Christmas period and those communities that were impacted by the Australian bushfires.

Dexus collaborated with office management teams around Australia to set up food donation stations in the lobbies of Dexus office buildings. The initiative was communicated across the customer portals, encouraging customers to donate non-perishable food times to support those in need in Dexus's communities.

The Foodbank drive ran from late November 2019 through mid-January 2020, collecting 185 boxes of food that supplied an estimated 2,951 meals to communities impacted by poverty, drought and fire. Altogether, the donated food weighed 1,639 kilograms – approximately the weight of a Holden Commodore!

FY21 commitments

- Establish a cross-functional internal Social Impact Working Group focused on driving social initiatives
- Develop a community contribution strategy
- Progress the development of an indigenous cultural awareness program
- Expand our STEM+ program at new development sites across the portfolio



Our capacity to create value is influenced by the strength of our relationships with local communities in and around our properties. Many of our retail centres act as community hubs, providing essential spaces for people to gather, shop, and play.

We also leverage our scale to amplify the important work of community organisations. We welcome the use of lobby space in our office properties by the community, supporting a range of community causes that deliver social impact while engaging our people and our customers.

Community contribution summary

Over the year we contributed over \$1.1 million financially and in-kind to communities across Australia through initiatives such as our retail portfolio's national community campaign that partnered with local charities, and our national partnership with Cancer Council and other charities who engaged with customers at our assets. The contribution also includes funds donated to the Australian bushfire appeals, where Dexus matched employee donations dollar-for-dollar.

Supporting Local Communities

In August 2019, Dexus-managed retail centres around Australia delivered localised campaigns designed to support vulnerable people in their areas. Community partnerships were formed with local not-for-profit organisations, and shoppers and retailers were invited to support the local initiatives and leave a positive impact. Some of the supported causes included:

- Reducing homelessness through charity partner *300 Blankets* (QV Melbourne and Galleria Melbourne)
- Combatting domestic violence through charity partner *The Women's Centre* (Willows Shopping Centre, Townsville)
- Empowering women to achieve economic independence through *Dress for Success* (Carillon City, Perth)
- Targeting homelessness and food insecurity with charity partner *Mary Mac's Place* (Deepwater Plaza, Central Coast)
- Supporting new mothers and their babies through partnering with *Goulburn Valley Pregnancy & Family Support* (Shepparton Marketplace, Shepparton)
- Fighting child poverty by partnering with *Baby Give Back* (Tweed City, Tweed Heads)
- Addressing youth mental health by partnering with Smithfield State High School (Smithfield Shopping Centre, Cairns)

The localised campaigns across the participating retail centres delivered over \$48,000 in community value, supporting local community organisations to create awareness and make a difference.

National partnership with Foodbank

In FY20, Dexus properties across Australia collected food in support of Foodbank, Australia's largest hunger relief organisation. In the leadup to Christmas, Dexus employees and customers were encouraged to donate non-perishable food and long-life products to Foodbank, to help bring holiday cheer to those less fortunate. The case study on page 38 details the impact of our Christmas Foodbank drive.

Future Leaders in Property Program

Building on the success of the STEM+ industry initiative that took place during the construction of 100 Mount Street in North Sydney, Dexus has designed its own program for Sydney and Melbourne to increase female participation in the property industry by heightening awareness of careers in property with female school students. The program has seven modules which complements the school curriculum, with each module heavily anchored around Dexus developments. The MLC Centre, Sydney and 80 Collins Street, Melbourne will be taking part in the next iteration of the program. We will also include our partners, such as builders and architects, to help with the delivery of each module, ensuring that the students can interact with a range of industry professionals.



Case study

Deepwater Plaza supporting the local community

Deepwater Plaza on the NSW Central Coast partnered with the well-known local community organisation Mary Mac's Place Woy Woy, for a month-long campaign and donation drive to support those in the local community experiencing food insecurity and homelessness.

Mary Mac's Place serves over 500 meals a week from Monday to Friday to those most in need in the community, relying 100% on donations to provide this vital service.

During August 2019, Deepwater Plaza shoppers donated food, toiletries and laundry items at the Donation Hub opposite Coles supermarket. Additionally, shoppers could purchase a \$2 or \$5 plate and place their plate on the donation wall to show their support.

The local community and the shopping centre's retailers rallied together to provide Mary Mac's Place Woy Woy, with a cash donation of \$5,740 plus an estimated \$10,000 worth of groceries and toiletries.

Catherine Pantehis, Coordinator Homeless Services, Catholic Care said: "Mary Mac's is open to anyone needing a helping hand. We rely solely on donations and thank the local community for supporting so generously during this wonderful initiative. The community's kindness will ensure we can keep providing meals and other important services to those that need it the most on the peninsula."

Supply chain management

Delivering FY20 Supply Chain commitments

Each year, we set commitments that indicate how we will deliver on objectives related to supply chain management.

| FY20 Commitment | Status | FY20 Progress |
|---|--------|---|
| Implement the Property Council of Australia's modern slavery due diligence tool and target engagement on modern slavery with at least 100 suppliers | ● | Rolled out the Property Council of Australia's modern slavery due diligence tool across top 100 suppliers with responses informing our key areas of focus |

Key

● achieved ○ not achieved ● progressed

FY21 commitments

- Develop a supplier risk rating tool for use by procurement teams to enhance understanding of ESG risks



Our capacity to create value depends on strong working relationships with capable suppliers of products and services. Our supply chain also extends our economic impact, through our procurement spend and associated job creation.

Supplier engagement

During the year we engaged our key suppliers with a sustainability self-assessment that asked for feedback on their relationship with Dexus as well as information on the ESG policies and procedures that they have established. This year's survey contained a new set of questions designed at understanding supplier capabilities to support a circular economy.

We seek to form long-lasting relationships with suppliers who have proven track records to drive efficiency and consistency across our portfolio. Our supplier assessment revealed that 83% of respondents have been suppliers to Dexus for more than five years. These long-term relationships help align our business interests and present a greater opportunity for us to embed our sustainability approach through our supply chain.

Dexus recognises that implementing circular economy principles across its portfolio requires a stronger focus on the design of, and materials used in, its products and services, in addition to waste reduction and recycling initiatives. Supplier collaboration will be critical to the successful introduction of circular economy principles, and so it is encouraging to note that over 77% of suppliers indicated they are somewhat or very aware of the circular economy.

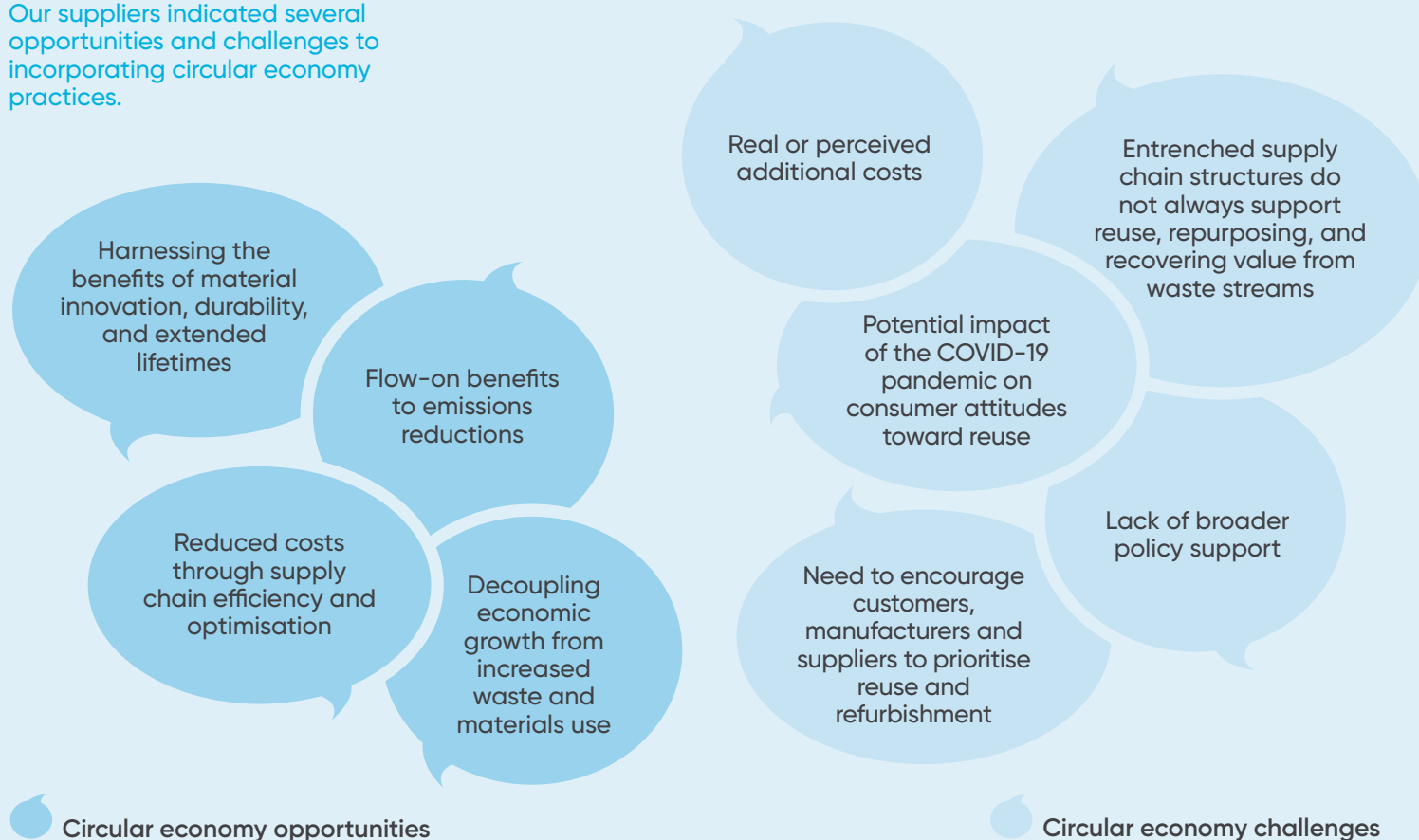
Respondents indicated that many of the materials that they supply to Dexus are designed to be reused, or that:

- Fully or partially recyclable alternatives are available
- Products with environmental certifications are available
- There are opportunities to reduce volumes or use the materials in a more efficient way

Incorporating circular economy principles into our property management activities is important for furthering our approach to waste management and reducing our contribution to climate change. We will continue to engage our supply chain about the circular economy, recognising the importance of supplier alignment to realising the benefits of a circular economy approach.

Circular economy opportunities and challenges

Our suppliers indicated several opportunities and challenges to incorporating circular economy practices.





Through a collaborative culture and balanced scorecards that include a mix of financial and non-financial considerations, we can build long-term supplier relationships that extend the reach of our sustainability aspirations

Enhancing our supplier management framework

Dexus works with like-minded suppliers that deliver high-quality services and demonstrate a commitment to partnering with us as we apply the Dexus Sustainability Approach. Our Sustainable Procurement Policy and Supplier Code of Conduct form the basis for our collaboration on addressing ESG issues. We implement this through a structured procurement process, and award contracts following rigorous tender selection involving a balanced evaluation of financial and non-financial criteria. We then work alongside our panel of preferred suppliers to deliver services, manage their performance against our expectations, and gather feedback to enhance the health of our relationships.

Over the year, in partnership with our office and industrial facility management partner CBRE, we enhanced how sustainability considerations are integrated into supplier performance management. A new supplier relationship management framework embeds sustainability objectives into supplier performance management and helps us understand the engagement levels of supplier workforces.

Key elements of the framework include:

- Sustainability compliance reviews including modern slavery audits, indigenous workforce engagement, alignment with Dexus's 40:40:20 gender diversity target (40% female, 40% male, 20% any gender), and environmental considerations such as waste management
- Incentives to outperform through objectives that identify leading practice, such as Good Environmental Choice Australia (GECA) certification and strong NABERS Waste ratings across the portfolio (page 50 provides more information about our use of NABERS Waste)
- Surveys of supplier workforces to enable facility management teams to engage directly with onsite staff to understand their morale, any concerns, and continuous improvement ideas
- Contract health checks that include a focus on how suppliers have leveraged technology and innovation in the delivery of their services to Dexus

The enhanced consideration of sustainability also includes a standardised procedure for corrective action planning for supplier non-conformances. The standardisation will help us to track the prevalence of non-conformances across our portfolio and target supplier engagement activities accordingly to improve performance.



MLC Centre,
Sydney

Integrating sustainability into cleaning and waste management services

Cleaning and waste management is a key service that Dexus provides for its customers, and we strive to maximise the quality of service provided by our cleaning contractors. Last year, we conducted an extensive process to review our waste and cleaning service specifications and tender for services across our managed office properties nationally.

In line with our sustainable procurement policy, tender responses were assessed across financial and non-financial metrics with a focus on maximising customer satisfaction, minimising environmental impacts through improved recycling and waste stewardship practices, as well as partnering with like-minded suppliers to deliver fair working conditions, appropriate wages and training opportunities for cleaning staff. We also introduced measures to collaboratively manage the risk of modern slavery in our supply chain, as highlighted by the Modern Slavery Act recently introduced across Australia.

The new contracts came into effect across the portfolio between December 2019 and February 2020 and are already resulting in an enhanced service for Dexus and our customers. One of the requirements has been the installation of scales to improve the accuracy of waste data collected by cleaning teams. Improvements to waste data will help us engage with customers about waste management practices and benchmark property performance using NABERS Waste. More information about the waste management benefits that the new contracts will provide is detailed on page 50.

Supplier engagement on modern slavery risk

Since the commencement of the Modern Slavery Act, Dexus has welcomed the increased interest from its investors, customers and suppliers about how we are managing modern slavery risk across our supply chain. We have publicly lodged our 2020 Modern Slavery Statement with the Australian Government, which is also available on the Dexus website.

In FY20, we continued our focus on modern slavery in the supply chain by clarifying expectations for suppliers through updating contractual documentation and enhancing the consideration of modern slavery risk factors during the supplier selection process. We also delivered an awareness campaign to educate suppliers and their workforces about modern slavery and ensure they were informed about how they could anonymously raise concerns.

Building on our successful industry collaboration through the Property Council of Australia, we invited over 100 of our key suppliers to disclose information on their labour management practices through a new supplier due diligence platform. The questionnaire is being made available to suppliers free of charge to maximise coverage, with industry consortium members sharing the information submitted by suppliers to streamline their reporting requirements.

Over the next year, we intend to use the information provided by our suppliers to engage with them about their approach to managing modern slavery risk and develop a supplier risk rating tool that we can integrate into our procurement processes.

We recognise that the onset of the COVID-19 pandemic has presented challenges that may increase modern slavery risk factors across some areas of our supply chain. During the pandemic, we have focused on ensuring our suppliers, most notably cleaning and security providers, are managing their workforces appropriately. We have kept our portfolio operational throughout the COVID-19 crisis, in turn minimising the risk of job losses across our cleaning and security contractor workforces. Where cleaning requirements were reduced at the request of customers, we engaged with affected cleaning contractors to protect jobs where possible. We also affirmed our expectations on suppliers that they uphold the highest standards of occupational health and safety with their workforces.

Enriched Environment



An efficient and resilient portfolio that minimises our environmental footprint and is positioned to thrive in a climate-affected future.

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| Indoor environment | 52 |
| Building certifications | 53 |
| Climate resilience | 55 |

1,053,157sqm

Rated minimum 5 star NABERS Energy across our group office portfolio

1,058,585sqm

Rated minimum 4 star NABERS Water across our group office portfolio

50.1%

Reduction in group office emissions intensity since FY08

>\$164m

Saved through enhanced portfolio energy efficiency since FY08

Our capacity to create value depends on the efficient use of natural capital, building resilience to environmental risks and leveraging emerging opportunities driven by climate change.

In a changing climate, developing and managing resilient properties means understanding how to reduce their impact on the natural environment and leave a positive legacy. Buildings account for nearly one-quarter of Australia's greenhouse gas emissions, which provides both a challenge and an opportunity for us to lower our carbon footprint and reduce operating costs through energy efficiency. We also actively manage water and waste through building optimisation, and customer engagement and awareness programs.

We recognise the risks and opportunities that climate change presents for our business. Dexus is acting to better understand, prepare for, and respond to acute physical risks, such as damage from extreme weather, and chronic risks such as heat stress.

We seek to mitigate these risks by factoring climate resilience into property management practices, to maximise customer and occupant wellbeing and maintain reliable building operations.

We have committed to achieve net zero emissions by 2030 because we believe that ambitious targets lead to bold actions and the quest for innovative solutions. Our net zero target has been verified by the Science Based Targets initiative as consistent with the effort required to limit global temperature increases to below 1.5°C.

Tackling our energy use and emissions makes business sense too. Ongoing emissions reduction activities help futureproof our operations from risks associated with future carbon pricing and demonstrate that emissions reductions need not come at the expense of business success.

Through enhanced energy efficiency and increased use of renewable energy, we are on our way to net zero emissions by 2030

Learn more



More information on our approach to managing environmental issues, including resource efficiency and climate change, is provided in the Sustainability Approach and Procedures on pages 137-147.

Delivering FY20 Enriched Environment commitments

Each year, we set commitments that indicate how we will deliver on our objective of Enriched Environment.

| FY20 Commitment | Status | FY20 Progress |
|---|--------|---|
| Deliver 1,000,000 square metres of office property to a minimum 5 star NABERS Energy rating and 4 star NABERS Water rating by 2020 | ● | Delivered 1,053,157 square metres of office space to a minimum 5 star NABERS Energy rating and 1,058,585 square metres of office space to a minimum 4 star NABERS Water rating. |
| Establish new 2025 energy and emissions reduction targets as part of our pathway to net zero emissions by 2030 | ● | Announced minimum 70% renewable electricity target for the group's managed portfolio by 2025. |
| Consistently demonstrate a resource recovery rate of 80% across de-fit projects by 2020, contributing to the diversion of waste from landfill | ● | Achieved a resource recovery rate of 80% across 14 out of 18 projects in 2020. Overall diversion of waste from landfill across Dexus-managed fit-outs was 79%. |

Key

● achieved

○ not achieved

◐ progressed

FY21 commitments

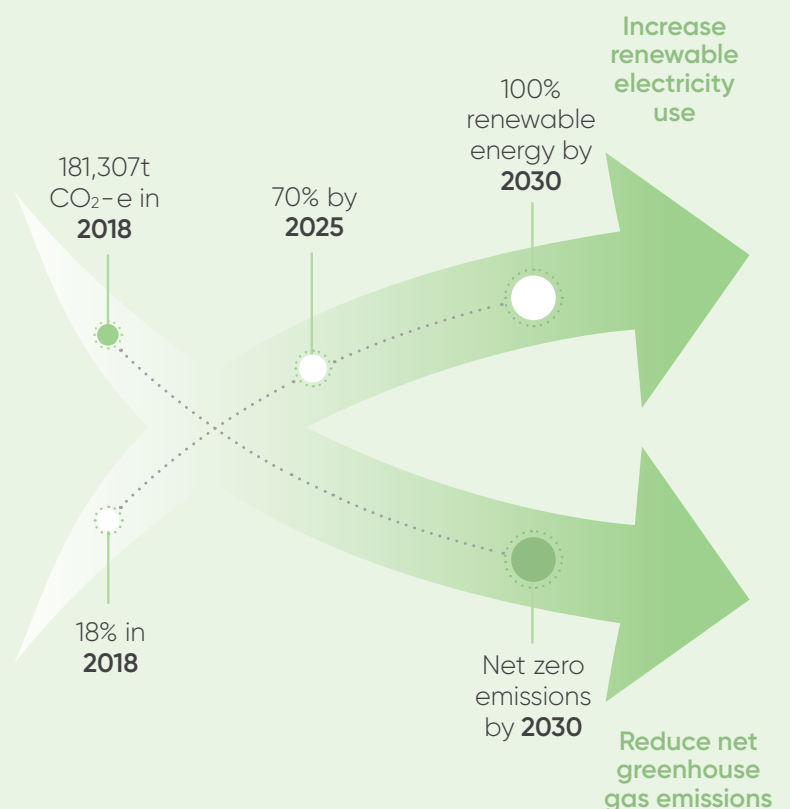
- Source at least 70% of electricity from onsite and offsite renewable sources across the group's managed portfolio by FY25, consistent with our RE100 commitment to 100% renewable energy by 2030
- Deliver an average 5 star NABERS Indoor Environment rating across the group office portfolio by FY25, delivering initiatives to enhance occupant health and wellbeing

On our way to net zero by 2030

Starting with Dexus's first NABERS portfolio targets set in 2008, we have recognised the importance of targets for motivating strong environmental performance and demonstrating our leadership. Since then, we have lifted our ambitions through the 1,000,000 square metres NABERS improvement targets that we achieved this year, and through our science-based target to achieve net zero emissions by 2030 across our group managed portfolio.

Announced in 2018, our net zero ambition will be achieved through enhanced energy efficiency and increasing the use of renewable energy across our portfolio. As described on page 47, this year we signed up to RE100 and committed to source 100% renewable energy by 2030.

To support our trajectory to net zero emissions and 100% renewable energy by 2030, we have established an interim target to achieve 70% renewable electricity use by 2025.



Energy and emissions

We are working towards our ambition to achieve net zero emissions across our managed portfolio by 2030, through improving energy efficiency and increasing the uptake of on-site and off-site renewables.

Improving energy efficiency

We focus on improving energy efficiency through the development of Strategic Improvement Plans at the property level, and benchmarking property performance using NABERS Energy and Green Star Performance.

At the end of FY20, 1,053,157 square metres of office space across the group portfolio was rated at a minimum 5 star NABERS Energy, outperforming by 5% the 1 million square metre target that we set in 2015. Achieving this milestone involved increasing energy efficiency across circa 500,000 square metres of office space in the last five years, which was accomplished through:

- A coordinated effort to develop and implement strategic NABERS improvement plans
- Targeted capital expenditure, delivered by our Project Delivery Group
- Rollout of Building Optimisation System fault-detection analytic software to enhance building tuning
- Achieving 5 star NABERS Energy rating targets at completed key development projects including 480 Queen Street, Brisbane, 105 Phillip Street, Parramatta and Kings Square in Perth
- The sustained efforts of property and facility management teams, led by our senior leaders, and supported by our sustainability and NABERS assessment teams.

A key project from FY20 that contributed to achieving the target was the installation of a new chiller dedicated to the city retail component of Gateway, Sydney.

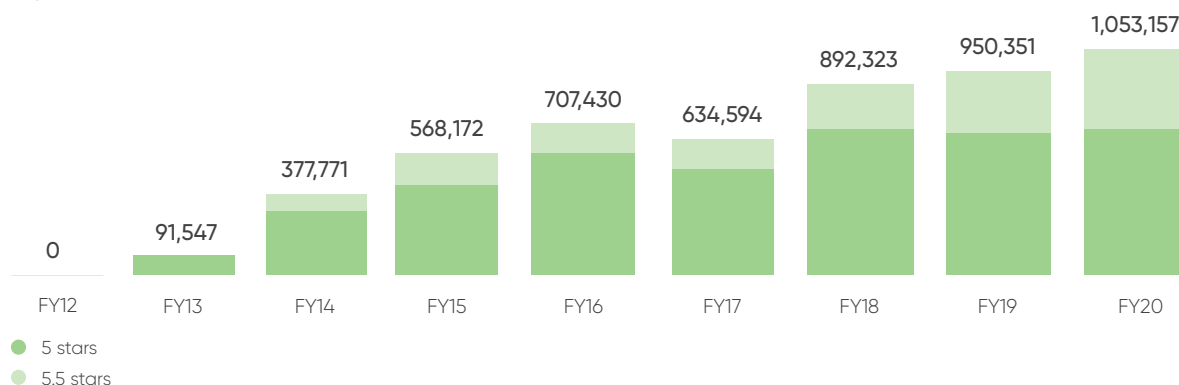
Before the installation of the new chiller, the existing chiller plant was servicing both the office tower and retail areas of Gateway, which resulted in inefficient operations given the varied requirements of the different areas. The new separated systems have enabled facility managers to optimise energy and water efficiency control strategies for office and retail spaces, enhancing the efficiency of Gateway as a whole and increasing its NABERS Energy rating from 4.5 to 5 stars. The new system also improved Gateway's NABERS Water rating from 3 to 4 stars (page 49 provides more detail on water efficiency across the portfolio).

Other notable energy efficiency improvements across the group portfolio in FY20 included:

- 100 Harris Street, Pyrmont increased its NABERS Energy rating from 4.5 to 5 stars following a focus on operational efficiency combined with a new rooftop solar array that was commissioned in FY19
- 101 George Street, Parramatta improved its NABERS Energy rating from 5 to 5.5 stars following close collaboration between facility management teams and building management system and analytics contractors to rectify inefficiencies within the HVAC (heating, ventilation, and air conditioning) system, such as the chiller staging set points
- Governor Phillip Tower at 1 Farrer Place, Sydney achieved a 5 star NABERS Energy rating – a major milestone for a flagship Sydney asset – following a multi-year capital works program and building management system upgrade

More information on the group portfolio's NABERS performance is provided on page 54.

Progress towards 1,000,000 square metres at minimum 5 star NABERS Energy by 2020 (sqm)



Increasing the use of renewable energy

Our goal is to operate high performing buildings powered by clean energy. We are dedicated to increasing our use of renewable energy, and this year signed up to the RE100 initiative, committing to source 100% renewable electricity by 2030. RE100 membership connects Dexus with over 200 like-minded companies including several key customers across our platform, and will be a useful tool for enhancing customer awareness of our sustainability ambitions. An initial success on our trajectory to net zero emissions was the commencement of our renewable Energy Supply Agreement with Red Energy in January 2020. The agreement is now supplying renewable energy to the base building services of 40 properties across the group's New South Wales office portfolio. The renewable energy is being sourced from a combination of offsite solar and wind projects.

We are also prioritising the delivery of on-site solar photovoltaics (PV) at our retail centres and industrial properties. During the year, we completed the installation of one of Australia's largest car park solar array at Willows Shopping Centre in Townsville (managed on behalf of Dexus Wholesale Property Fund). The case study on page 48 provides more information on this project.

2.1MW

Solar capacity installed at Willows Shopping Centre and Beenleigh Marketplace

Shortly after the Willows solar PV system came online, Dexus also completed the installation of an additional 600kW solar array at Beenleigh Marketplace. Together, these solar arrays will reduce centre usage of grid-purchased electricity and associated carbon emissions, as part of our broader push to increase the use of onsite renewable energy across our portfolio.

Across the industrial portfolio, we are responding to increasing customer interest in our Onsite Solar Renewables Program. The program is a working partnership between Dexus and our customers to unlock the value of industrial properties and share the financial and environmental benefits of renewable energy. Over the past year, we launched the program at a pilot precinct in Quarrywest Industrial Estate, Greystanes. Interested customers have identified their ambitions for solar PV at their properties and provided consumption data to Dexus for size and capacity analysis. We are progressing technical assessments of customer data, building structure and electrical infrastructure to build a compelling business case and partnership proposition with customers and third party capital partners. Pending agreement to proceed, the solar PV installation would commence in early 2021.

A carbon neutral workspace

As a signatory to Australia's carbon neutral program, Dexus offsets greenhouse gas emissions associated with management activities conducted offsite to facilitate day-to-day property operation including leasing, property management, property finance, investor relations, legal, governance and sustainability functions.

We have committed to offsetting the carbon emissions from our corporate operations, and in FY20 retired certified offsets equivalent to 5,000 tonnes CO₂-e to achieve carbon neutrality. In recognition of the increasing need for afforestation across the globe, our credit purchases focused on local and international forestry projects, helping to capture and sequester carbon from the atmosphere over the long term.



Q Case study

Maintaining property efficiency through the COVID-19 pandemic

The onset of the COVID-19 pandemic brought unprecedented changes to property occupancy levels and demands on building services.

Despite occupancy changes, Dexus continued to deliver high levels of service with buildings remaining operational and essential services continuing. This ensured customers had the flexibility to access their offices and buildings were quick to reactivate when customers began their return to the office.

Achieving the required flexibility required consistent attention from Dexus and its facility management partners.

Building services depend on a wide array of interdependent systems that cannot be switched on and off like light bulbs when demands change. Instead, property systems needed to be continually adjusted to reflect the swings in occupancy related to the pandemic, such that they provided the required level of service without unnecessarily running at full capacity. Efficient management of building services during the pandemic has enabled Dexus to meet customer needs while reducing energy use, avoiding over \$1.9 million in electricity costs.

\$1.9m

Avoided in electricity costs from March–June 2020



Willows Shopping Centre,
Townsville

Q Case study

Capturing sun and providing shade at Willows Shopping Centre

In May 2020, Dexus completed one of Australia's largest car park solar projects at Willows Shopping Centre in Townsville (owned by Dexus Wholesale Property Fund and managed by Dexus).

The project includes 4,800 solar photovoltaic (PV) panels that will generate approximately 2,500 MWh per annum, equivalent to the usage of 370 Queensland households. At retail centres like Willows, onsite solar works well because centre visitation tends to be higher during the daytime, which is also the time when solar PV systems generate the most power (a quality referred to as "load matching").

The benefits of the project extend beyond the provision of renewable energy and includes the installation of shade sails that will further enhance the amenity for centre visitors. The project has added shading with under-canopy lighting to an additional 500 car park bays, enhancing the shopper experience and increasing the number of shaded or undercover car parks to over 1,700 bays.

The new solar array reduces the centre's use of grid-purchased electricity and associated carbon emissions, supporting Dexus's pathway to net zero emissions across its managed portfolio by 2030.

Water efficiency

In Australia's drought-affected climate, it is increasingly important to conserve water and be 'water wise' in how we operate our buildings.

In 2015, Dexus set a target to achieve 1,000,000 square metres of office space rated to a minimum 4 star NABERS Water rating across the group managed portfolio by FY20. Achieving this target has proved a challenge, as industry trends towards higher occupancy densities coupled with the installation of water-intensive features such as end-of-trip facilities, result in more water use and higher water intensity.

Although these trends caused us to move away from the target from FY15 through FY18, we remained focused on our goal. The challenge became a strong motivator for Dexus and our facility management partners to demonstrate a tangible change to the status quo and enhance water efficiency across the portfolio. We also engaged with customers to raise their awareness, which in Sydney became an acute issue due to dwindling local supply that prompted Sydney Water to tighten water restrictions. We were very pleased with how our customers responded, and their diligence played an important role in identifying leaks and minimising use of water as a shared resource.

As a result of our focus, including our facility managers' and customers' efforts, we surpassed our FY20 target, achieving 1,058,585 square metres of properties rated at minimum 4 star NABERS Water at 30 June 2020. This achievement involved increasing the water efficiency across circa 500,000 square metres of office space over the past two years through initiatives such as:

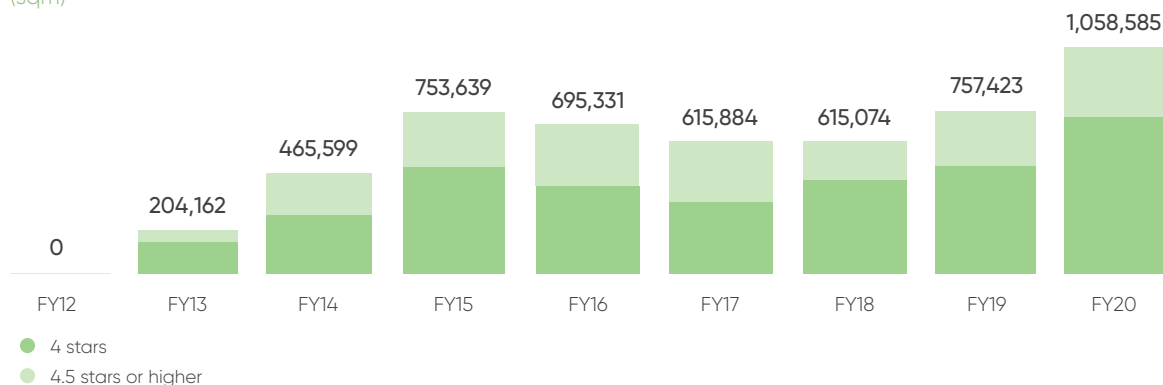
- Introduction of a cloud-based fault detection platform that reduced the delay in identifying and responding to leaks and unusual consumption patterns
- Targeted capital expenditure to upgrade cooling towers and optimise water-based heat rejection systems
- Water audits that investigated poor performing sites and developed opportunities to increase NABERS Water ratings
- Upgrades to high-efficiency bathroom fittings and fixtures
- Monthly building performance meetings to review water consumption and trends, and education for facility managers of best practice water management techniques
- Engagement with customers on reducing water use within tenancies (such as for irrigation), and awareness campaigns at office properties reminding customers of the importance of minimising water use

The Gateway, Sydney chiller upgrade, described on page 46, was one of several recent projects that contributed to achieving the group NABERS Water target in FY20. Other notable improvements from the year included:

- Kings Square 2 in Perth improved its NABERS Water rating from 2.5 to 4 stars following the implementation of a comprehensive submetering and data analytics program
- 1 Bligh Street, Sydney achieved a 4.5 stars NABERS Water rating (up from 4 stars) following improvements in the operation of the onsite blackwater treatment system
- 150 George Street, Parramatta improved its NABERS Water rating from 3.5 to 4 stars following active tuning and monitoring of the site by facilities management teams to reduce water consumption and incidence of water leaks

Looking ahead, water efficiency will remain a focus for Dexus and our facility management partners. Some avenues we are exploring relate to alternative heat rejection technologies, decentralisation of hot water systems, and the use of recycled water infrastructure recently put in place by the City of Sydney.

Progress towards 1,000,000 square metres at minimum 4 star NABERS Water by 2020 (sqm)



Waste management

We focus on reducing waste to landfill at our development projects, across our property operations and from customer fit-outs.

Our waste management program aims to go beyond waste diversion to embrace circular economy principles that promote efficient resource use and the production of recyclable materials that can be reused within new products.

Operational waste

Over the year, we progressed several initiatives focused on enhancing operational waste management across our portfolio. Our standing goal is to reach 65% waste diversion from landfill across the group's office portfolio. In FY20, we achieved 43% diversion across office properties and 34% diversion across retail properties.

From December 2019 through February 2020, we progressively commenced new cleaning and waste management contracts across our office portfolio. As described on page 43, the new contracts feature balanced scorecards that include a mix of financial and non-financial considerations, helping us to leverage our supply chain extend to extend the reach of the Dexus Sustainability Approach.

The contracts encourage outperformance in waste management at our properties by asking cleaning teams to:

- Document waste streams and undertake bin profiling to assess contamination rates
- Supply waste scales on site and provide accurate data

- Track waste management performance at the tenancy level to enable meaningful engagement with our customers on enhancing waste management outcomes

The new contracts also require cleaning contractors to contribute to property-level benchmarking of waste management using NABERS Waste. We now have 15 properties rated using NABERS Waste, bringing the total portfolio coverage to 28%. The benchmarking has facilitated the development of NABERS Waste improvement plans at rated properties, which we will use to set targets for enhanced waste performance.

De-fit waste reduction program

Historically, the impacts of waste created from office de-fit projects have received little attention, with around 80% of materials being sent to landfill. Recognising the scale of the opportunity, in 2015 Dexus collaborated with the City of Sydney's Better Buildings Partnership (BBP) to develop its *Waste Strip out Management Guidelines* and successfully trialed the new de-fit process at Governor Macquarie Tower, achieving an overall waste diversion rate of 61% with no additional costs.

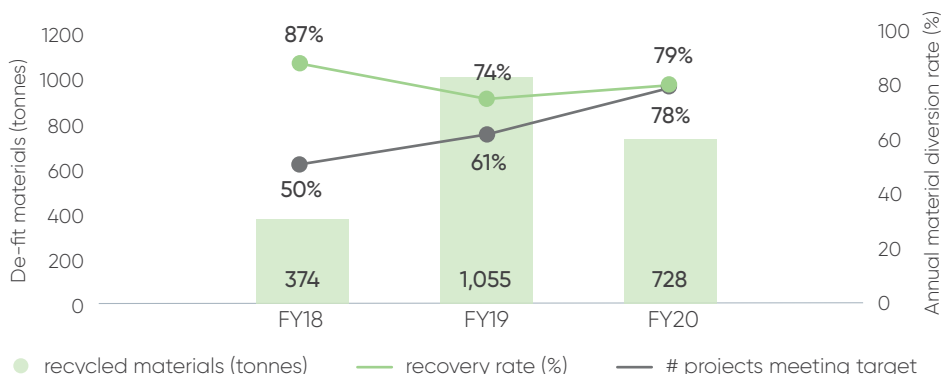
Following this success, in 2015 we established the goal to consistently demonstrate an 80% resource recovery rate from de-fitting vacated space by 2020. This would be achieved by adopting circular economy principles and increasing waste diversion from landfill through structured demolition, stream separation and actively identifying charities and secondary markets for reuse of materials.

Working together, the Dexus Sustainability and Project Delivery Group teams embedded the BBP's guidelines into the Dexus Demolition and Refurbishment Brief, contracting like-minded construction and demolition partners to embed these processes and enhance the tracking of materials.

We are pleased to report that in FY20, 14 out of 18 completed projects have achieved the 80% goal, and the tracked projects achieved a 79% overall diversion rate. Since FY18 we have tracked 52 projects that have collectively diverted 2,156 tonnes of waste from landfill. As indicated in the chart on this page, we have steadily increased the proportion of de-fit projects that have met the 80% diversion target. Moving forward, we seek to establish a minimum 80% diversion rate as standard across all de-fit projects.

This year, we used life-cycle assessment techniques to better understand the carbon and cost implications relating to the de-fit cycle and Dexus's de-fit waste reduction program. The assessment found that the program achieved carbon savings of 10–20% for a comparable de-fit project cost when compared against traditional approaches and outcomes. The modelling also highlighted the significant, additional savings available by focusing on retaining or reusing fit-out, over and above simply sending materials to be recycled.

Defit projects





Case study

Australian bushfires test portfolio resilience

During the summer of 2019-20, Australia experienced bushfires across Queensland, New South Wales, Victoria, and the Australian Capital Territory.

The smoke and ash from these fires caused abnormally high levels of airborne pollutants across major CBDs and metropolitan areas. At various times, Australian cities recorded the poorest air quality globally.

On days of poor outdoor air quality caused by the bushfires, Dexus tested the indoor air quality (IAQ) at select properties to evaluate the effectiveness of air filtration systems and management practices.

Over the summer, Dexus also established a cross-functional IAQ working group to review IAQ monitoring, alerts and communications, air filter selection, operational procedures and mitigation strategies.

The working group developed an action response matrix to coordinate outdoor air monitoring and management responses to reduce the ingress of polluted air on days of poor outdoor air quality.

Since the onset of the COVID-19 pandemic in Australia, the IAQ working group has prioritised its review and testing of air filtration systems and is examining the capacity and capability of the existing ventilation systems in commercial buildings to manage external and internal air quality. This work is ongoing with the support of external providers and the Dexus operations team which is expected to result in further enhancements to air quality management procedures.

Indoor environment

A healthy indoor environment positively impacts occupant health and wellbeing, and ultimately customer productivity and satisfaction. The past year presented a unique set of indoor environment quality challenges related to Australia's catastrophic bushfire season and the COVID-19 pandemic.

Targeting

5 star

**NABERS IE office portfolio
average by 2025**

As described in the case study on page 51, bushfires during the summer of 2019-20 caused unhealthy outdoor air quality levels that tested the resilience of our portfolio. The onset of the COVID-19 pandemic shortly after the bushfire season brought a new set of challenges to ensuring healthy indoor environments within our buildings. Some of the measures being put in place in response to the bushfire experience that also promote safe indoor air quality in the context of the COVID-19 pandemic include:

- reviewing procedures to ensure adequate fresh air ventilation, filtration of return air and acceptable thermal comfort
- experimenting with emerging building technology that can assist with enhancing air quality in smaller areas such as lifts and meeting rooms
- updating the air quality specifications in our Environmental Management Manual, which will help set expectations for future procedures and investment related to indoor air quality

The case study on page 35 provides additional information on how we have established COVID-safe workplaces across our portfolio through a range of initiatives beyond indoor air quality.

We built on the above activities and our regular audits on indoor environmental quality by benchmarking property performance using NABERS Indoor Environment (NABERS IE) ratings. At the end of FY20, 35 properties representing 63% of group office floor area have been rated using NABERS IE, giving us an understanding of property performance on acoustic quality, lighting quality, thermal comfort, and indoor air quality.

Through a program of initiatives to enhance occupant health and wellbeing, we are targeting an average 5 star NABERS Indoor Environment rating across the group office portfolio.



Biodiversity

We aim to deliver a positive impact on biodiversity through enhancing and managing biodiversity outcomes across properties that we develop and operate.

Much of our portfolio exists in highly urbanised areas that generally has not retained its prior biodiversity value. However, the opportunity exists to make a positive impact at new developments and existing properties where changes in land use does occur.

A site where we have been focused on biodiversity in FY20 is the development of a new industrial estate at Ravenhall in Victoria. This site contains habitat that is home to an endangered grassland community and supports endangered species such as the Striped Legless Lizard. We have commenced a ten-year conservation management plan for the site, which to date has included the construction of fencing and the acquisition of baseline data.

Further implementation of the management plan, combined with the 32 hectares of high quality vegetation that we have secured for conservation in perpetuity offsite, will contribute to a net positive outcome for biodiversity at Ravenhall.

Building certifications

Building certifications are an important tool for us to integrate leading practice into our developments and operation, to benchmark property performance, and to confirm our standing in the market.

Green Star

Dexus adopts the Green Building Council of Australia's Green Star rating tools to guide the integration of environmental and social aspects within developments and to independently verify each project's sustainability credentials in construction and operation.

During the year, our new office tower at 100 Mount Street, North Sydney achieved its 5 Star Green Star Design & As Built rating. The property is targeting a 5 star NABERS Energy rating and showcases the latest occupancy sensors and temperature controls to enhance resource efficiency. Other developments with Green Star Design & As Built aspirations in our pipeline include:

- Office developments at 12 Creek Street (The Annex) in Brisbane and 180 Flinders Street in Melbourne, which achieved Green Star Design ratings in 2018
- The North Shore Health Hub in St Leonards, which is registered for a 5 Star Green Star Design & As Built rating and will be the first property with a Green Star Design & As Built rating within the Healthcare Wholesale Property Fund

- An avocado and banana ripening industrial facility in Truganina, Victoria which is targeting a 5 Star Green Star Design & As Built rating and where we collaborated with the Green Building Council of Australia on the development of their new Green Star for New Buildings rating tool (discussed in more detail on page 23)

We apply the Green Star Performance rating tool to benchmark the operational performance of the group's office, retail and industrial properties, across a broad range of measures relating to energy, water, indoor environment, building management, transport, materials, land use, ecology and innovation.

In August 2020, we re-rated the group's FY20 office and retail portfolios (76 properties) and we retained our 5 Star Green Star Performance rating for the group office portfolio. We also rated four industrial properties for the first time, recognising the need to better understand the opportunities available to enhance the sustainability performance of this growing asset class.

National Australian Built Environment Rating System (NABERS)

Dexus has a well-established NABERS program to benchmark energy and water performance nationally, using a rating scale from 1 to 6 stars. In FY20, Dexus's group office portfolio achieved an average 5.0 star NABERS Energy rating (FY19: 5.0 star) and an average 3.7 star NABERS Water rating (FY19: 3.5 star).

Many office properties experienced increases in their NABERS Energy and NABERS Water ratings in FY20, as described in the review of our achievement of our 1,000,000 square metre NABERS targets. In total, nine properties improved their NABERS Energy ratings and 17 properties improved their NABERS Water ratings. As a result of these improvements:

- 67% of properties (by rated area) achieved a 5 star NABERS Energy performance rating or higher, with 23% achieving 5.5 star performance outcomes
- 64% of properties (by rated area) are rated at 4 star NABERS Water or higher, with 18% achieving 4.5 stars or higher

The Dexus-managed group retail portfolio achieved an average 4.0 star NABERS Energy rating (FY19: 3.8 star) and an average 3.6 star NABERS Water rating (FY19: 3.5 star).

The strong performing shopping centres across the group managed retail portfolio included:

- Deepwater Plaza, which increased its NABERS Water rating by 0.5 star as a result of improvements to water leak monitoring
- Willows Shopping Centre, which increased its NABERS Energy rating by 1 star and its NABERS Water rating by 0.5 star, following a reduction in resource consumption intensity commensurate with an increase in the centrally serviced shopping centre area

- Plumpton Marketplace, which improved its NABERS Energy and NABERS Water rating by 0.5 star as a result of operational improvements that reduced both energy and water use

Dexus also benchmarks office property performance using NABERS Waste and NABERS IE, as detailed on pages 50 and 52.

The table below provides group averages across NABERS Energy, Water, Waste and IE rating tools.

| Portfolio | NABERS portfolio average | |
|--|--------------------------|---------------------------|
| | Energy | Water |
| Group Office portfolio | 5.0 | 3.7 |
| Dexus portfolio | 5.0 | 3.7 |
| Dexus Office Partnership | 5.0 | 4.0 |
| Funds management portfolio | 5.0 | 3.7 |
| Dexus Wholesale Property Fund | 5.0 | 3.5 |
| Group Retail portfolio¹ | 4.0 | 3.6 |
| Dexus Wholesale Property Fund ¹ | 4.0 | 4.0 |
| Funds management portfolio ¹ | 4.0 | 3.7 |
| | Waste | Indoor Environment |
| Group Office portfolio | 2.7² | 4.0³ |

1. Dexus managed properties only.
2. Based on 28% portfolio coverage.
3. Based on 63% portfolio coverage.

Climate resilience

The Australian bushfire season of 2019–20, combined with record-setting drought conditions in the years prior, confirmed that climate change is directly affecting our social wellbeing and causing significant economic impacts.

For over a decade, we have reduced our impact through lowering emissions, adapting to climatic effects by enhancing portfolio resilience, and influencing our value chain to collaboratively tackle the climate challenge.

Towards Climate Resilience

Over the past year, we have expanded our use of scenario analysis to test how the business could enhance its resilience to climate impacts that extend beyond individual properties.

The outcomes of the scenario analysis are detailed in Dexus's report *Towards Climate Resilience* published in June 2020.

Towards Climate Resilience is aligned with the TCFD recommendations and signals ways that Dexus can evolve its approach to climate resilience into the future.

Since 2018, Dexus has supported the TCFD by disclosing its approach to addressing climate-related issues in accordance with the TCFD recommendations. The below indicates the location of climate-related disclosures prescribed by the recommendations.

| TCFD recommendation | Reporting reference |
|---|--|
| Governance | |
| Disclose the organisation's governance around climate-related risks and opportunities | |
| a) Describe the board's oversight of climate-related risks and opportunities | 2020 Annual Report (page 55) Towards Climate Resilience (page 15) |
| b) Describe management's role in assessing and managing climate-related risks and opportunities | 2020 Annual Report (page 55) Towards Climate Resilience (page 15) |
| Strategy | |
| Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material. | |
| a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. | Towards Climate Resilience (pages 19–21) |
| b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. | 2020 Annual Report (pages 52–55) Towards Climate Resilience (pages 9–14, 19–21) |
| c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | Towards Climate Resilience (pages 4–14) |
| Risk Management | |
| Disclose how the organisation identified, assesses, and manages climate-related risks. | |
| a) Describe the organisation's processes for identifying and assessing climate-related risks. | 2020 Annual Report (page 55) Towards Climate Resilience (page 16) 2020 Sustainability Report (pages 139–142) |
| b) Describe the organisation's processes for managing climate-related risks. | 2020 Annual Report (page 55) Towards Climate Resilience (page 16) 2020 Sustainability Report (pages 139–142) |
| c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. | 2020 Annual Report (page 55) Towards Climate Resilience (page 16) 2020 Sustainability Report (pages 139–142) |
| Metrics and Targets | |
| Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material. | |
| a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | 2020 Annual Report (pages 52–55) 2020 Sustainability Report (pages 75–97) |
| b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks. | 2020 Sustainability Report (pages 75–97) |
| c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. | 2020 Annual Report (pages 52–55) 2020 Sustainability Report (pages 44–47, 75–97) |

Sustainability Data Appendix



The Sustainability Data Appendix discloses comprehensive performance metrics for the year ending 30 June 2020.

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Boundary terms and independent assurance

In this Sustainability Data Appendix:

- ‘Dexus’, ‘the group’, ‘Dexus group portfolio’, ‘we’, ‘us’ and ‘our’ refer to Dexus comprising the ASX listed entity (DXS) and the Third Party Funds Management business, unless otherwise stated
- ‘Dexus portfolio’ relates specifically to the portfolio of properties in the ASX listed entity
- ‘Funds management portfolio’ relates to properties managed by Dexus on behalf of third party clients

Any reference in this report to a ‘year’ relates to the financial year ended 30 June 2020. All dollar figures are expressed in Australian dollars unless otherwise stated.

In addition to auditing the Financial Statements, PricewaterhouseCoopers (PwC) provides limited assurance over select environmental and social data metrics within the Dexus 2020 Annual Reporting Suite. Limited assurance has been obtained for the 12 months to 30 June 2020. The Assurance Statement and associated reporting criteria documents are available at pages 172–181.

The Sustainability Data Appendix is organised with reference to Dexus’s Sustainability Approach objectives.



Sustained Value

The Sustained Value section of this Sustainability Data Appendix supports the performance reporting within Dexus's 2020 Annual Report.

Financial highlights

| Key metrics | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|---------|-------------------|---------|---------|-------------------------|
| Net profit after tax (\$m) | 1,259.8 | 1,264.2 | 1,728.9 | 1,281.0 | 983.0 |
| Adjusted Funds From Operations (\$m) | 413.9 | 439.7 | 485.5 | 517.2 | 550.5 |
| Adjusted Funds From Operations (cents per security) | 42.7 | 45.4 | 47.7 | 50.3 | 50.3 |
| Adjusted Funds From Operations per security growth (%) | 6.0 | 4.5 | 5.1 | 5.5 | 0.0 |
| Funds From Operations (\$m) | 610.8 | 617.7 | 653.3 | 681.5 | 730.2 |
| Funds From Operations (cents per security) | 63.1 | 63.8 | 64.2 | 66.3 | 66.7 |
| Distribution (cents per security) | 43.51 | 45.47 | 47.8 | 50.2 | 50.3 |
| Return on Equity (%) | 19.3 | 18.2 | 19.8 | 13.9 | 8.4 |
| Return on Contributed Equity (%) | n/a | 7.6 | 7.6 | 10.1 | 9.0 |
| NTA per security (\$) | 7.53 | 8.45 | 9.64 | 10.48 | 10.86 |
| Gearing (look-through) ¹ (%) | 30.7 | 26.7 ⁴ | 24.1 | 24.0 | 24.3³ |
| Duration of debt (years) | 5.5 | 5.6 ⁴ | 7.0 | 6.7 | 6.9 |
| Total security holder return (%) | 30.3 | 10.1 | 7.5 | 39.4 | -25.7 |

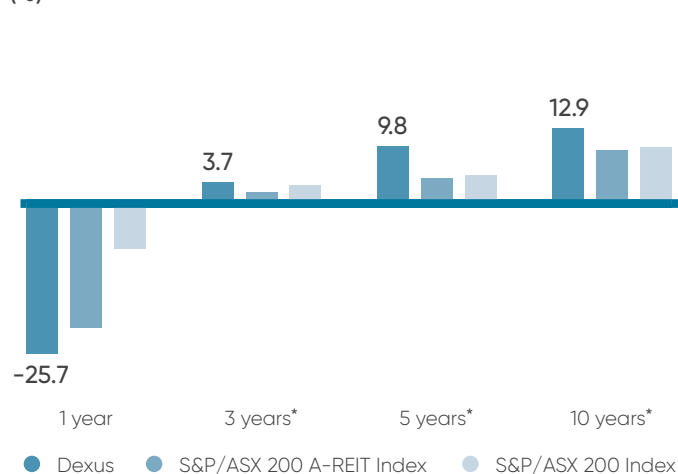
1. Adjusted for cash and debt in equity accounted investments.

2. Proforma gearing for FY17 is adjusted for post balance date acquisitions. Actual gearing (look-through) was 22.1%.

3. Proforma gearing includes proceeds and payments for transactions post 30 June 2020 that are expected to settle before 30 September 2020 including the divestment of Finlay Crisp Centre, Canberra, 201 Elizabeth Street, Sydney and 45 Clarence Street, Sydney (subject to FIRB approval), the acquisition of Edward Street, Brisbane (Hermes), payment of Dexus's share of deferred settlement amounts for 80 Collins Street, Melbourne, the industrial property acquisitions of 37-39 Wentworth Street, Greenacre and the Ford Facility at Merrifield Business Park, Mickleham. All other transactions post 30 June 2020 are excluded. Look-through gearing at 30 June 2020 was 26.3%.

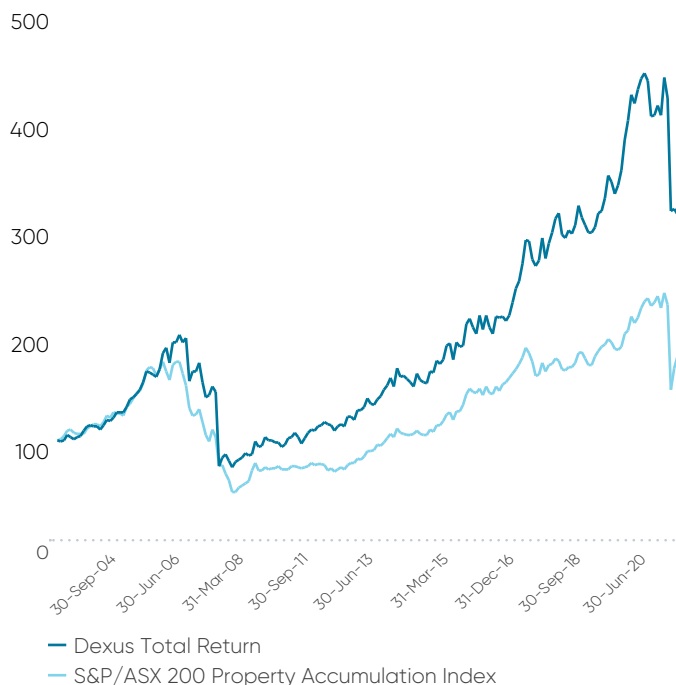
4. Includes \$60 million of Medium Term Notes issued in July 2017 and three bank facilities for \$325 million that commenced in July 2017.

Total Security holder return (TSR) (%)



Total return of Dexus securities

The chart below illustrates Dexus's performance against the S&P/ASX 200 Property Accumulation Index since listing in 2004.



*Annualised compound return. Source UBS Australia at 30 June 2020.

Dexus portfolio snapshot

| Key metrics | | FY16 | FY17 | FY18 | FY19 | FY20 |
|--------------------------------------|-----------------|-----------|-----------|-----------|-------------------|----------------------------|
| Portfolio value (\$A) | Dexus portfolio | \$11.0bn | \$12.2bn | \$13.3bn | \$15.6bn | \$16.5bn |
| | Office | \$9.2bn | \$10.2bn | \$11.0bn | \$13.2bn | \$14.2bn |
| | Industrial | \$1.8bn | \$2.0bn | \$2.2bn | \$2.3bn | \$2.2bn |
| | Healthcare | – | – | \$0.1bn | \$0.1bn | \$0.1bn |
| Net lettable area (sqm) | Dexus portfolio | 2,842,797 | 2,866,358 | 2,869,403 | 3,045,759 | 3,157,733 |
| | Office | 1,566,111 | 1,581,646 | 1,495,238 | 1,546,264 | 1,614,907 |
| | Industrial | 1,276,685 | 1,284,712 | 1,322,557 | 1,447,539 | 1,474,970 |
| | Healthcare | – | – | 51,608 | 51,956 | 67,856 |
| Funds From Operations ¹ | Office | \$567.2m | \$567.4m | \$603.8m | \$610.5m | \$671.4m |
| | Industrial | \$106.1m | \$114.8m | \$132.7m | \$137.3m | \$124.2m |
| Like-for-like income growth | Office | 1.0% | 2.6% | 4.5% | 3.4% | 2.4% ² |
| | Industrial | (7.1)% | 3.6% | 3.0% | 8.0% ³ | (2.1)% ⁴ |
| Occupancy (by income) | Office | 96.3% | 97.2% | 96.0% | 98.0% | 96.5% |
| | Industrial | 90.4% | 96.5% | 98.3% | 97.0% | 95.6% |
| Occupancy (by area) | Office | 96.3% | 97.0% | 95.7% | 97.8% | 96.6% |
| | Industrial | 89.3% | 96.6% | 98.8% | 98.8% | 97.9% |
| Lease duration (by income) | Office | 4.7 years | 4.8 years | 4.6 years | 4.4 years | 4.2 years |
| | Industrial | 4.1 years | 5.1 years | 4.8 years | 4.7 years | 4.1 years |
| Weighted average capitalisation rate | Dexus portfolio | 6.33% | 5.95% | 5.52% | 5.26% | 5.05% |
| | Office | 6.16% | 5.78% | 5.37% | 5.15% | 4.97% |
| | Industrial | 7.38% | 6.88% | 6.40% | 5.92% | 5.66% |
| 1-year total return | Office | 16.0% | 14.1% | 16.9% | 10.6% | 7.5% |
| | Industrial | 16.0% | 12.6% | 13.6% | 12.9% | 11.8% |

1. On 1 July 2014, the group adopted the Property Council of Australia definition of FFO. The Directors consider FFO to be a measure that reflects the underlying performance of the group. FFO comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, rental guarantees, coupon income and distribution income net of funding costs.

2. Excluding rent relief and provision for expected credit losses effective LFL growth was +4.7%.

3. Excluding one-off income was 2.5%.

4. Excluding rent relief and provision for expected credit losses effective LFL growth was +0.1%.

Capital management

| Key metrics | FY16 | FY17 | FY18 | FY19 | FY20 |
|---------------------------------------|-----------|------------------------|-----------|-----------|--------------------------|
| Cost of debt ¹ | 4.8% | 4.1% | 4.2% | 4.0% | 3.4% |
| Duration of debt | 5.5 years | 5.6 years ² | 7.0 years | 6.7 years | 6.9 years |
| Hedged debt ³ | 71% | 65% | 71% | 74% | 78% |
| Gearing (look-through) ⁴ | 30.7% | 26.7% ⁵ | 24.1% | 24.0% | 24.3%⁶ |
| Headroom (approximately) ⁷ | \$0.4bn | \$1.1bn | \$0.9bn | \$1.0bn | \$1.6bn |
| S&P/Moody's credit rating | A-/A3 | A-/A3 | A-/A3 | A-/A3 | A-/A3 |

1. Weighted average for the year, inclusive of fees and margins on a drawn basis.

2. Includes \$60 million of Medium Term Notes issued in July 2017 and three bank facilities for \$325 million that commenced in July 2017.

3. Average for the year hedged debt (excluding caps) was 55% for the 12 months to 30 June 2019 and 62% for the 12 months to 30 June 2020.

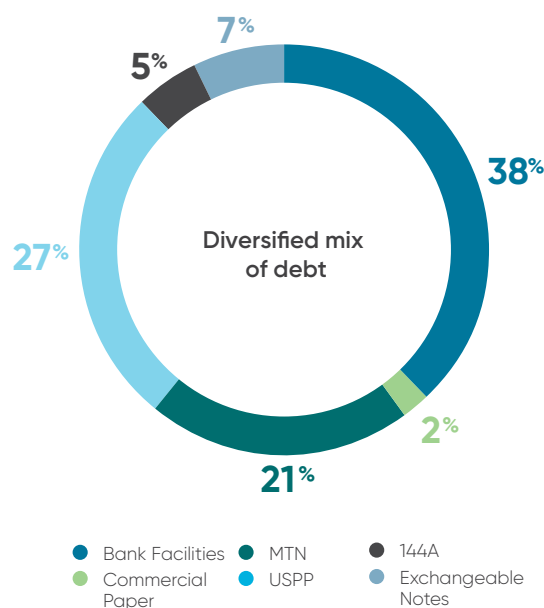
4. Adjusted for cash and debt in equity accounted investments.

5. Proforma gearing for FY17 is adjusted for post balance date acquisitions. Actual gearing (look-through) was 22.1%.

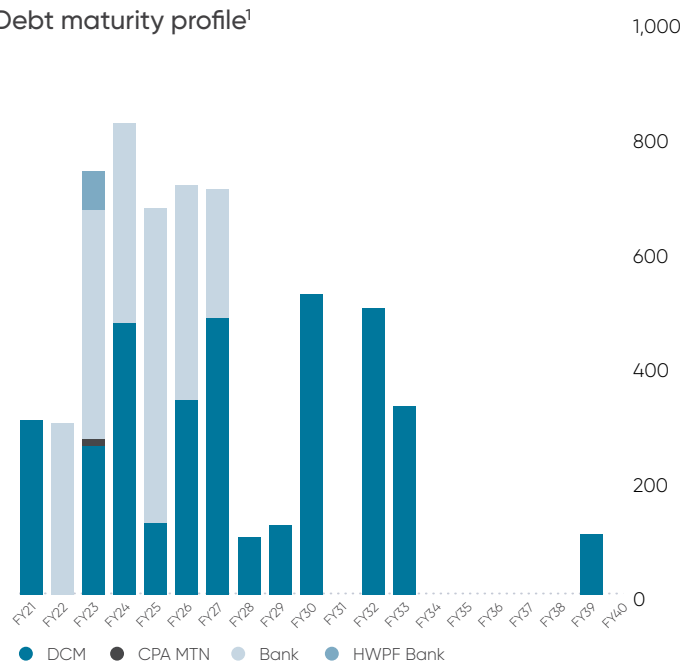
6. Proforma gearing includes proceeds and payments for transactions post 30 June 2020 that are expected to settle before 30 September 2020 including the divestment of Finlay Crisp Centre, Canberra, 201 Elizabeth Street, Sydney and 45 Clarence Street, Sydney (subject to FIRB approval), the acquisition of Edward Street, Brisbane (Hermes), payment of Dexu's share of deferred settlement amounts for 80 Collins Street, Melbourne, the industrial property acquisitions of 37-39 Wentworth Street, Greenacre and the Ford Facility at Merrifield Business Park, Mickleham. All other transactions post 30 June 2020 are excluded. Look-through gearing at 30 June 2020 was 26.3%.

7. Undrawn facilities plus cash.

Diversified mix of debt

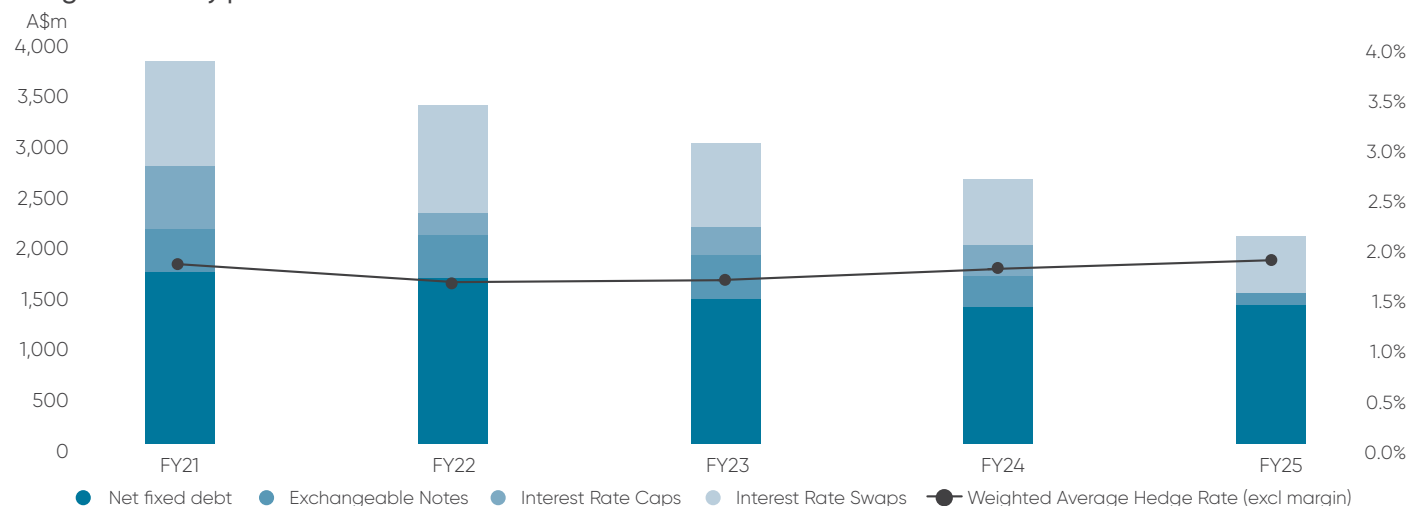


Debt maturity profile¹



1. Includes \$425 million Exchangeable Notes based on investor put date in FY24.

Hedged maturity profile¹



1. Average amount hedged for the period.

Debt facilities¹

| | Facility limit (A\$m) | Drawn (A\$m) | Maturity dates | Currency |
|---|--------------------------|-----------------|-------------------|----------|
| Bilateral bank debt | 300 | 136 | FY22 | A\$ |
| | 400 | 136 | FY23 | A\$ |
| | 350 | 100 | FY24 | A\$ |
| | 550 | 100 | FY25 | A\$ |
| | 375 | 99 | FY26 | A\$ |
| | 225 | 0 | FY27 | A\$ |
| Commercial paper ² | 100 | 100 | FY23 | A\$ |
| Medium term notes | 160 | 160 | FY23 | A\$ |
| | 185 | 185 | FY26 | A\$ |
| | 130 | 130 | FY27 | A\$ |
| | 200 | 200 | FY30 | A\$ |
| | 500 | 500 | FY32 | A\$ |
| | 30 | 30 | FY39 | A\$ |
| US senior notes (144A) ³ | 305 | 305 | FY21 | US\$ |
| US senior notes (USPP) ³ | | | | |
| Series 1 | 291 | 291 | July-23 – Jul-28 | US\$ |
| Series 2 | 225 | 225 | Feb-24 – Feb-27 | US\$ |
| Series 3 | 286 | 286 | Dec-24 – Dec-26 | US\$ |
| Series 4 (A\$) | 100 | 100 | Jun-28 | A\$ |
| Series 5 | 503 | 503 | Nov-29 – Nov-32 | US\$ |
| Series 5 (A\$) | 150 | 150 | Nov-29 – Nov-32 | A\$ |
| Series 6 (A\$) | 75 | 75 | Oct-38 | A\$ |
| Exchangeable Notes | 425 | 425 | FY24 ⁴ | A\$ |
| Subtotal | 5,865 | 4,236 | | |
| Currency translation and fair value adjustments | 648 | 648 | | |
| Deferred borrowing costs | (20) | (20) | | |
| Exchangeable Notes adjustments | (26) | (26) | | |
| Total interest bearing liabilities | 6,467 | 4,838 | | |
| Bank guarantees utilised | | (56) | | |
| Cash | | 32 | | |
| Headroom including cash | | 1,605 | | |

1. Does not include debt facilities in equity accounted investments: \$201.6 million (August 2020), \$25.0 million (November 2022) and \$11.5 million (December 2022) and \$42.3 million (February 2023).

2. Based on maturity date of commercial paper standby facility.

3. 144A and USPP US\$ amount shown at the cross-currency swap contract rate.

4. Based on investor put date in FY24.

Thriving People

The people data in this section supports the performance reporting in the 2020 Sustainability Performance Pack.

For background on the management frameworks and procedures related to our workforce please refer to the 2020 Sustainability Approach and Procedures on page 126.

Workforce statistics

| | FY16 | | FY17 | | FY18 | | FY19 | | FY20 | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Metric | M | F | M | F | M | F | M | F | M | F |
| By employment type (FTEs) | | | | | | | | | | |
| Permanent full-time ¹ | 75.0 | 172.3 | 181.0 | 180.9 | 176.0 | 181.0 | 207.0 | 216.0 | 228.0 | 236.8 |
| Fixed term full-time ¹ | | | | | 13.0 | 14.0 | 11.0 | 27.0 | 12.0 | 15.0 |
| Permanent part-time ¹ | 0.7 | 26.3 | 1.0 | 27.8 | 0.0 | 26.8 | 0.0 | 31.3 | 0.8 | 27.3 |
| Fixed term part-time ¹ | | | | | 0.0 | 2.0 | 0.0 | 4.8 | 1.4 | 2.4 |
| Contractor | 7.0 | 5.8 | 1.0 | 0.0 | – | – | – | – | – | – |
| Casual | 4.8 | 7.4 | 5.0 | 8.0 | 5.8 | 8.4 | 7.6 | 12.2 | 1.8 | 1.0 |
| Total workforce by gender | 187.5 | 211.7 | 188.0 | 216.7 | 194.8 | 232.2 | 225.6 | 291.3 | 244.0 | 282.5 |
| Total workforce | 299.3 | | 404.7 | | 427.0 | | 516.9 | | 526.5 | |
| Contingent workers ² | – | | – | | 49.0 | | 54.4 | | 49.0 | |
| Workforce by location (%) | | | | | | | | | | |
| NSW | 39 | 40 | 38 | 40 | 38 | 42 | 36 | 46 | 39 | 46 |
| QLD | 4 | 6 | 4 | 7 | 4 | 5 | 4 | 4 | 3 | 3 |
| VIC | 4 | 7 | 3 | 6 | 3 | 6 | 3 | 5 | 4 | 4 |
| WA | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

1. From FY18, Dexs separated reporting of permanent and fixed-term employees.

2. Corporate contractors, agency temps or consultants that performed work on a time and materials basis (e.g. a project with a defined beginning and end date). A 'corporate contractor' is an individual contracted by Dexs to perform work prescribed by Dexs, usually at a Dexs corporate office location. Corporate contractors generally cannot be replaced with a new individual performing the same work, without terminating the existing contract and creating a new contract for the new individual. Using terminology within the reporting standard GRI 403: Occupational Health and Safety 2018, corporate contractors are characterised by Dexs having both control of work and control of the workplace. Note the distinction with 'site-based contractor' as defined on page 68.

Engagement and flexible working

| Metric | FY16 | | FY17 | | FY18 | | FY19 | | FY20 | |
|---|------|----|------|----|------|----|-----------------|-----|------|-----|
| Employee engagement ¹ | | | | | | | | | | |
| Survey participation rate (%) | 70 | | 70 | | 82 | | 75 | | 74 | |
| Engagement rate ² (%) | 84 | | 84 | | 87 | | 81 ² | | 83 | |
| Employee Net Promoter Score ³ | – | | – | | – | | +40 | | +61 | |
| Flexible working | M | F | M | F | M | F | M | F | M | F |
| No. of formal flexible work arrangements ⁴ | 9 | 43 | 11 | 51 | 16 | 75 | 38 | 102 | 45 | 111 |

1. Engagement information is sourced directly from internal employee engagement surveys administered during the year (our Employee Listening Strategy is detailed on page 117). The figures reported above are an average of employee surveys administered during the reporting period.

2. In FY19, Dexs began delivering employee engagement surveys at least twice annually, instead of a larger survey once every two years. Engagement scores reported in FY19 are thus not directly comparable to previous years and should not be considered indicative of a trend.

3. Based on a scale of -100 to +100

4. The number of flexible work arrangements reported include formal agreements where employees have indicated that they work part-time, work remotely or flexibly according to an agreed schedule, job share, receive extended leave without pay for a period greater than one month, or purchase additional annual leave. The reported figures do not include informal flexible work arrangements where employees work remotely or vary their hours of work on an ad hoc basis. All employees are eligible for informal flexible work arrangements and agree such arrangements with their managers as required.

Inclusion and diversity

Gender diversity

| Gender diversity in the workforce | FY16 | | FY17 | | FY18 | | FY19 | | FY20 | |
|--|--------------|----|--------------|----|--------------|----|--------------|----|----------------|----|
| Dexus workforce by gender | # | % | # | % | # | % | # | % | # | % |
| Female employees (FTE) | 211.7 | 53 | 216.7 | 54 | 232.2 | 54 | 291.3 | 56 | 282.5 | 54 |
| Male employees (FTE) | 187.5 | 47 | 188.0 | 46 | 194.8 | 46 | 225.6 | 44 | 244.0 | 46 |
| Total employees (FTE) | 399.2 | | 404.7 | | 427.0 | | 516.9 | | 526.5 | |
| Female employees (headcount) | – | | – | | 249 | 56 | 310 | 58 | 300 | 54 |
| Male employees (headcount) | – | | – | | 199 | 44 | 229 | 42 | 252 | 46 |
| Total employees (headcount) | – | | – | | 448 | | 539 | | 552 | |
| Gender diversity in management ^{1,2} | # | % | # | % | # | % | # | % | # | % |
| Females in senior management (FTE) | 31.9 | 29 | 35.2 | 32 | 39.3 | 34 | 47.7 | 36 | – ¹ | – |
| Males in senior management (FTE) | 78.0 | 71 | 76.0 | 68 | 77.8 | 66 | 83.8 | 64 | – | – |
| Total employees in senior management team (FTE) | 109.9 | | 111.2 | | 117.1 | | 131.5 | | – | |
| Females in senior management (headcount) | – | | – | | 41 | 36 | 50 | 37 | 49 | 36 |
| Males in senior management (headcount) | – | | – | | 78 | 66 | 84 | 63 | 89 | 64 |
| Total employees in executive team (headcount) | – | | – | | 199 | | 134 | | 138 | |
| Females in executive team (headcount) | – | | – | | – | | 2 | 25 | 2 | 25 |
| Males in executive team (headcount) | – | | – | | – | | 6 | 75 | 6 | 75 |
| Total employees in executive team (headcount) | – | | – | | – | | 8 | | 8 | |
| Females in all management (headcount) | – | | – | | – | | 157 | 51 | 156 | 47 |
| Males in all management (headcount) | – | | – | | – | | 151 | 49 | 177 | 53 |
| Total employees at all management levels | – | | – | | – | | 308 | | 333 | |
| Board gender diversity | % | | % | | % | | % | | % | |
| Percentage of female Non-Executive Directors | 50 | | 43 | | 43 | | 43 | | 37.5 | |
| Percentage of male Non-Executive Directors | 50 | | 57 | | 57 | | 57 | | 62.5 | |

1. Prior to FY19, Dexus reported on gender diversity in senior management based on FTE. From FY19, Dexus reports on gender diversity across a broader range of management levels based on headcount and will no longer provide reporting on gender diversity using FTE. The use of headcount is consistent with the standards used by the Australian Government Workplace Gender Equality Agency and with other diversity metrics reported by Dexus.

2. FY20 data on gender diversity in senior management has been independently assured.

Commentary and methodology

All people data is taken from each year's headcount report as at 30 June, produced by Dexus People and Culture.

'Senior management' includes executive management and senior management positions within the Dexus workforce. Executive management and senior management positions include Dexus employees whose role is mapped to one of the following four occupational categories: 'CEO/head of business', 'KMP (key management personnel)', 'other executives/general managers', and 'senior managers', as outlined within worker classification guidance Standardised occupational categories of managers: February 2018 published by the Australian Government's Workplace Gender Equality Agency (WGEA).

'Non-Executive Directors' are independent directors of DXFM and does not include the CEO who is counted in the senior management team for the purposes of workforce reporting.

Cultural diversity

| Irish | FY20 |
|-----------------------------------|------|
| % of survey respondents | |
| Australian | 57.8 |
| British | 10.4 |
| Mainland South East Asia | 3.8 |
| New Zealandar | 3.3 |
| Chinese Asian | 3.1 |
| Irish | 2.8 |
| Eastern European | 2.5 |
| Western European | 2.3 |
| Southern Asian | 2.0 |
| Other | 1.8 |
| Maritime South East Asian | 1.8 |
| Southern European | 1.8 |
| North African and Middle Eastern | 1.5 |
| Northern European | 1.3 |
| Other North East Asian | 0.8 |
| Southern Eastern European | 0.8 |
| Polynesian | 0.5 |
| North American | 0.5 |
| South American | 0.5 |
| Southern and East African | 0.5 |
| Aboriginal/Torres Strait Islander | 0.3 |

Commentary

Data is sourced from Dexus's September 2019 internal employee Pulse survey, which asked employees "How would you describe your own MAIN identity in cultural/ethnic terms?" Of the 455 employees asked to respond to the survey, 393 (86%) employees provided a response to this question (excluding employees who selected "Prefer not to say").

Country of origin

| Country/region of birth | FY19 | FY20 |
|---|------|------|
| % of survey respondents | | |
| Australia | 71.4 | 70.5 |
| United Kingdom, Channel Islands and Isle of Man | 5.1 | 6.6 |
| New Zealand | 4.3 | 3.6 |
| Other country not listed | 4.1 | 5.5 |
| Chinese Asia (includes Mongolia) | 1.9 | 2.7 |
| Maritime South-East Asia | 1.6 | 1.1 |
| Western Europe | 1.4 | 0.2 |
| Southern and East Africa | 1.4 | 0.7 |
| Southern Asia | 1.1 | 1.4 |
| Eastern Europe | 0.8 | 0.9 |
| South Eastern Europe | 0.5 | 0.2 |
| Northern America | 0.5 | 0.7 |
| Ireland | 0.5 | 1.4 |
| South America | 0.3 | 0.7 |
| North Africa | 0.3 | 0.2 |
| Middle East | 0.3 | 0.5 |
| Melanesia | 0.3 | 0.0 |
| Mainland South-East Asia | 0.3 | 1.1 |
| Japan and the Koreas | 0.0 | 0.7 |

Commentary

Data is sourced from Dexus's September 2019 internal employee Pulse survey, which asked employees "Which country where you born in?" Of the 455 employees asked to respond to the survey, 440 (97%) employees provided a response to this question (excluding employees who selected "Prefer not to say").

Age diversity

| Employee age range | FY18 | | FY19 | | FY20 | |
|----------------------------------|------|----|------|----|------|----|
| | M | F | M | F | M | F |
| % by headcount | | | | | | |
| Under 30 years old by gender | 7 | 12 | 6 | 15 | 8 | 13 |
| Under 30 years old all employees | 18 | | 21 | | 21 | |
| 30 to 50 years old by gender | 31 | 36 | 30 | 37 | 31 | 36 |
| 30 to 50 years old all employees | 68 | | 66 | | 66 | |
| Over 50 years old by gender | 8 | 6 | 7 | 6 | 7 | 6 |
| Over 50 years old all employees | 14 | | 13 | | 13 | |

Leave and absenteeism

| Metric | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|-------|-------|-------|-------|--------------|
| Leave days taken (days) | | | | | |
| Annual leave | 5,594 | 6,679 | 6,447 | 6,976 | 7,666 |
| Long service leave | 133 | 165 | 140 | 108 | 61 |
| Parental leave unpaid | 789 | 1,012 | 686 | 771 | 2,234 |
| Parental leave paid | 383 | 632 | 1,148 | 1,317 | 1,291 |
| Sick and carer's leave | 1,194 | 1,234 | 1,197 | 1,327 | 1,274 |
| 'Dexus days' | 0 | 0 | 1,552 | 1,571 | 1,903 |
| Leave without pay | 353 | 391 | 256 | 296 | 312 |
| Other leave | 732 | 710 | 438 | 205 | 266 |
| Absenteeism | | | | | |
| Absentee Rate (sick days lost per FTE) ¹ | 3.0 | 3.0 | 2.8 | 2.6 | 2.4 |

1. FY20 data independently assured.

Commentary and methodology

Leave data is gathered for each reporting period from payroll system records. The data is consolidated into the categories displayed in the report as follows:

- Annual leave: Annual leave only
- Long service leave: Long service leave only
- Parental leave unpaid: Parental leave unpaid only
- Parental leave paid: Primary and non-primary paid parental leave
- Sick and carer's leave: Sick leave, carer's leave only
- Dexus Days: additional annual leave
- Leave without pay: Leave without pay only
- Other leave: Study leave, volunteer leave, jury duty, special bereavement or compassionate leave, and purchased leave

Definitions

Absentee Rate (AR) – the number of personal leave days per full time equivalent workers employed is calculated as follows:

Work Health and Safety

| Metric | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|-------|--------|------|----------------|-----------|
| Dexus employee WHS incidents | | | | | |
| Recorded injuries | 7 | 8 | 18 | 19 | 5 |
| Lost-time injuries/diseases | 3 | 3 | 1 | 0 | 0 |
| Cases of work-related ill health | 0 | 0 | 0 | 0 | 0 |
| Fatalities | 0 | 0 | 0 | 0 | 0 |
| Lost Time Injury Incidence Rate (LTIIR) | 0.75 | 0.74 | 0.23 | 0 | 0 |
| Lost Time Injury Frequency Rate (LTIFR) ¹ | 4.12 | 4.06 | 1.28 | 0 | 0 |
| Occupational disease rate (occurrences per million hours worked) | 0 | 0 | 0 | 0 | 0 |
| Lost day rate (days lost per million hours worked) | 39.83 | 181.53 | 7.7 | 0 | 0 |
| Site-based contractor WHS incidents² | | | | | |
| Recorded injuries | – | – | – | – | 21 |
| Lost time injuries | – | – | – | – | 10 |
| Fatalities | – | – | – | – | 0 |
| LTIFR | – | – | – | – | 2.99 |
| Recorded hours worked | – | – | – | – | 3,343,131 |
| Employee relations matters | | | | | |
| Fraud, bribery and corruption | – | – | – | 0 | 0 |
| Discrimination | – | – | – | 0 | 0 |
| Privacy | – | – | – | 0 | 1 |
| Other Whistleblower matters | – | – | – | 1 | 0 |
| Other Employee Code of Conduct breaches | – | – | – | 0 | 5 |
| Employee relations matters | 6 | 0 | 1 | – ³ | – |

1. FY20 data independently assured.

2. Dexus commenced public reporting of site-based contractor WHS incidents in FY20.

3. Prior to FY19, employee relations matters were reported collectively as per the 'employee relations matters' row at the bottom of the table. There is no reporting for employee relations matters from FY19 because the matters are now reported according to the more detailed categories provided.

Commentary and methodology

Work health and safety (WHS) incidents account for all recorded incidents pertaining to Dexus employees and includes corporate contractors. The Privacy incident noted in FY20 impacted a limited number of Dexus investors through a privacy breach at Link Market Services investor registry provider. Link Market Services addressed the breach and notified all investors who were impacted.

The system of rules applied in recording and reporting accident statistics include Australian Standard 1885.1 1990, Workplace injury and disease recording standard as well as definitions within GRI 403: Occupational Health and Safety 2018, from the Global Reporting Initiative (GRI) Standards.

Definitions

Site-based contractor – An individual employed by an organisation other than Dexu, who performs work as directed by their employer at an operational asset controlled by Dexu. In these situations, Dexu generally has a contract with the third party organisation to provide a service (e.g. cleaning, security), and the third party organisation can select different individuals to provide the service without varying its contract with Dexu. Using terminology within the reporting standard GRI 403: Occupational Health and Safety 2018, site-based contractors are characterised by Dexu having control of the workplace, but not having control over the individual's work. Note the distinction with 'corporate contractor' as defined on page 62.

Recorded injuries – Recorded incidents that resulted in lost time and/or for which first aid or medical treatment was administered. Prior to FY20, lost time injuries were not included in this number.

No lost-time injuries/diseases – Those occurrences which were not lost-time injuries/diseases and for which first aid and/or medical treatment was administered

Lost-time injuries/diseases – Those occurrences that resulted in a fatality, permanent disability or time lost from work of one day/shift or more and if the incident relates to a Dexu employee, is recorded via a WorkCover claim

Occupational disease – A disease arising from the work situation or activity (such as stress or regular exposure to harmful chemicals), or from a work-related injury

Fatalities – Fatalities that occur as a result of an injury or disease occurrence

Lost Time Injury Incidence Rate (LTIR) – The number of occurrences of injury/disease for each one hundred full time equivalent employees is calculated as follows:

$$LTIR = \frac{\text{number of lost time injuries/diseases}}{\text{number of full time equivalent employees}} \times 100$$

Lost Time Injury Frequency Rate (LTIFR) – The number of occurrences of injury or disease for each one million hours worked is calculated as follows:

$$LTIFR = \frac{\text{number of lost time injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$$

Occupational disease rate (ODR) – The number of occurrences of occupational diseases for each one million hours worked is calculated as follows:

$$ODR = \frac{\text{number of occurrences of occupational diseases}}{\text{number of hours worked}} \times 1,000,000$$

Lost day rate (LDR) – The number of days lost to injuries/diseases for each one million hours worked is calculated as follows:

$$LDR = \frac{\text{days lost due to injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$$

Where:

Number of Dexu employee hours worked in the period – Refers to the total scheduled number of hours worked by all Dexu employees as recorded at 30 June of each year. Dexu offers employees flexible work arrangements and staff are employed under individual contracts that stipulate 1824 hours per annum (equal to 240 days x 7.6 hours) for each full-time employee. As Dexu does not track employee working hours and staff do not engage in overtime or shift work, Dexu has defined the 'number of hours worked' as 1824 hours per annum per full-time employee.

Number of workers – Is defined as the number of workers who were employed by Dexu as recorded at the end of 30 June 2020.

Headcount data for the purpose of these statistics represents the active Dexu workforce and is based on the metric 'Total Headcount (ongoing)' as defined by the Australian Public Service Commission (<https://www.apsc.gov.au/appendix-common-workforce-metrics>), as the number of ongoing employees directly employed by Dexu at the point in time described above.

Number of full-time equivalent employees (FTEs) – Is defined as the number of workers who were employed by Dexu as recorded at 30 June 2020. Persons who were absent from work on extended paid or unpaid leave as recorded at the end of 30 June 2020 are excluded from this calculation.

FTE data for the purpose of these statistics represents the active Dexu workforce, and is based on the metric 'Total FTE' as defined by the Australian Public Service Commission (<https://www.apsc.gov.au/appendix-common-workforce-metrics>), as the number of full-time equivalent employees directly employed by the organisation at a point in time where part-time employees are converted to full-time equivalent based on the hours they work as a proportion of the hours for a full-time employee.

Recruitment

| Metric | FY16 | | FY17 | | FY18 | | FY19 | | FY20 | |
|---|------|-----|------|----|------|-----|------|-----|------|-----|
| | M | F | M | F | M | F | M | F | M | F |
| Recruitment | | | | | | | | | | |
| Total number of new hires | 54 | 104 | 47 | 67 | 64 | 127 | 108 | 173 | 111 | 144 |
| Collective bargaining arrangements | | | | | | | | | | |
| Percentage of total employees eligible for collective bargaining agreements | 100% | | 100% | | 100% | | 100% | | 100% | |
| Number of employees employed under collective bargaining agreements | 0 | | 0 | | 0 | | 0 | | 0 | |
| Percentage of total employees covered by collective bargaining agreements | 0% | | 0% | | 0% | | 0% | | 0% | |

Dexus does not have any collective agreements as all employees are employed under individual contracts which comply with the National Employment Standards (NES). All employees are covered by an Award or NES. These awards or standards clearly indicate the all employees are free to associate. Dexus places its employees on an individual agreement, which cannot under legislation, remove any rights an employee has under an award for NES.

Retention

| | FY16 | | FY17 | | FY18 | | FY19 | | FY20 | |
|---|-------|-------|-------|-------|-------|-------|------|-----|------|-----|
| Metric | M | F | M | F | M | F | M | F | M | F |
| Voluntary turnover rate (%) | | | | | | | | | | |
| Executive management | 0 | 0 | 8 | 0 | 17 | 0 | 0 | 0 | 0 | 0 |
| Senior management | 8 | 17 | 3 | 3 | 3 | 8 | 13 | 9 | 3 | 4 |
| Middle management | 12 | 14 | 22 | 19 | 21 | 41 | 7 | 12 | 12 | 0 |
| Professional/technical | 15 | 12 | 11 | 2 | 22 | 15 | 19 | 16 | 5 | 13 |
| Administration/operations | 20 | 14 | 40 | 32 | 4 | 18 | 11 | 20 | 15 | 21 |
| Total voluntary turnover by gender | 11 | 14 | 13 | 12 | 13 | 16 | 14 | 15 | 6 | 12 |
| Total voluntary turnover | 12 | | 12 | | 15 | | 14 | | 9 | |
| All turnover (%) | | | | | | | | | | |
| All turnover by gender | – | – | – | – | – | – | 19 | 23 | 21 | 37 |
| All turnover | – | | – | | – | | 21 | | 30 | |
| Key talent retention rate (%) | | | | | | | | | | |
| Key talent retention | – | | – | | – | | – | | 95 | |
| Parental leave and retention rates (%) | | | | | | | | | | |
| Employees entitled to take parental leave¹ | 187.5 | 211.7 | 188.0 | 216.7 | 181.8 | 216.2 | 218 | 276 | 238 | 282 |
| Employees that took parental leave in reporting year¹ | 3.0 | 4.0 | 6.0 | 8.6 | 7.0 | 14.0 | 5 | 23 | 16 | 30 |
| Returned to work in reporting year after parental leave¹ | 12.0 | 10.0 | 6.0 | 6.4 | 7.0 | 12.0 | 5 | 21 | 16 | 29 |
| Return to work rate | 100 | 91 | 100 | 94 | 100 | 86 | 100 | 91 | 100 | 97 |
| Returned to work after parental leave and remained at Dexus after 12 months | 100 | 91 | 100 | 88 | 100 | 92 | 100 | 100 | 100 | 90 |

1. From FY19, Dexus reports parental leave and retention rates are based on headcount, prior years are based on FTE.

Commentary and methodology

The turnover calculation is a count of voluntary departures divided by the count of employees as at 30 June in each year. All relevant headcount data is taken from the headcount reports produced by Dexus People and Culture at 30 June each year.

The employee count reflects the total number of people employed by Dexus and accounts for circumstances such as flexible work arrangements and inactive employees on parental leave that are counted in full as departures.

Training and development

| Metric | FY16 | | FY17 | | FY18 | | FY19 | | FY20 | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | M | F | M | F | M | F | M | F | M | F |
| Training hours by work category | | | | | | | | | | |
| Executive management | 235 | 95 | 474 | 94 | 689 | 222 | 644 | 145 | 481 | 139 |
| Senior management | 1,558 | 822 | 1,923 | 1,230 | 1,785 | 984 | 1,891 | 1,205 | 1,966 | 1,187 |
| Middle management | 1,297 | 1,245 | 664 | 433 | 582 | 462 | 582 | 550 | 555 | 689 |
| Professional/technical | 824 | 1,921 | 1,899 | 3,703 | 856 | 1,727 | 1,404 | 2,590 | 2,245 | 3,331 |
| Administration/operations | 218 | 613 | 408 | 1,107 | 263 | 438 | 308 | 1059 | 527 | 1,153 |
| Total | 4,132 | 4,696 | 5,367 | 6,566 | 4,175 | 3,833 | 4,829 | 5,547 | 5,775 | 6,499 |
| Average training hours by work category | | | | | | | | | | |
| Executive management | 12 | | 40 | 47 | 57 | 111 | 54 | 48 | 34 | 46 |
| Senior management | 12 | | 30 | 37 | 27 | 26 | 26 | 19 | 26 | 27 |
| Middle management | 11 | | 37 | 28 | 24 | 29 | 21 | 23 | 24 | 23 |
| Professional/technical | 9 | | 26 | 34 | 12 | 14 | 16 | 17 | 20 | 22 |
| Administration/operations | 6 | | 18 | 20 | 11 | 9 | 12 | 16 | 24 | 23 |
| Average training hours by gender | – | | 29 | 30 | 21 | 17 | 21 | 19 | 24 | 23 |
| Hours of internal and external training | | | | | | | | | | |
| Internal | 4,577 | | 6,588 | | 2,312 | | 3,760 | | 2,820 | |
| External | 1,155 | | 2,609 | | 1,898 | | 2,389 | | 2,361 | |
| Hours of compliance training | 3,097 | | 2,736 | | 3,798 | | 4,228 | | 7,094 | |
| Performance reviews | | | | | | | | | | |
| Performance reviews performed (%) | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

During the year, all employees received communication and completed training about policies and procedures related to fraud, anti-corruption and human rights. Employees are required to declare their compliance with Dexus's Code of Conduct on an annual basis. Anti-corruption policies and procedures are included as part of this compliance. Compliance training is compulsory for every employee.

Commentary and methodology

Training data is taken from the training database at the end of each reporting year. Data is categorised and consolidated to provide training hours completed for each category. Data includes compliance training covering Human Rights issues as well as the Dexus Code of Conduct which addresses discrimination, harassment and bullying.

Remuneration ratios

| Metric | FY16 | | FY17 | | FY18 | | FY19 | | FY20 | |
|---|------|-----|------|-----|--------|-----|-------------------|-----|---------------|------------|
| | M | F | M | F | M | F | M | F | M | F |
| Gender pay ratio (base salary)¹ by employee band | | | | | | | | | | |
| Executive management | 1.3 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.0 | 0.9 | 1.0 |
| Senior management | 1.2 | 1.0 | 1.2 | 1.0 | 1.2 | 1.0 | 1.0 | 1.0 | 1.1 | 1.0 |
| Middle management | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Professional/technical | 1.2 | 1.0 | 1.2 | 1.0 | 1.1 | 1.0 | 1.1 | 1.0 | 1.1 | 1.0 |
| Administration/operations | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.0 | 1.2 | 1.0 | 1.0 | 1.0 |
| CEO/Employee compensation ratio | | | | | | | | | | |
| Ratio of the CEO total annual compensation to the median employee total annual compensation | – | | – | | 31.2:1 | | 36.3:1 | | 33.9:1 | |
| Ratio of the percentage increase in CEO total annual compensation to the percentage increase in median employee total annual compensation | – | | – | | 3.3:1 | | 14:– ² | | 0:7 | |

1. Salary represents an employee's package including fixed cash and superannuation. Category ratios are calculated by taking the average male salary and comparing it to the average female salary
2. In FY19, the large increase in total number of employees resulted in an overall decrease to median employee total annual compensation based on FY18. This results in a ratio with a negative denominator that cannot be reduced further.

Future Enabled Customers and Strong Communities

These customer experience, community contribution and supply chain management data tables support the performance reporting within Dexus's 2020 Sustainability Performance Pack.

For background on our management frameworks and procedures for customer experience, community contribution and supply chain, please refer to the 2020 Sustainability Approach and Procedures on page 123.

Customer experience

| | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|------------|------------|------------|------------|------------|
| Surveyed overall satisfaction with Property Manager (score out of 10) | | | | | |
| Office | 8.1 | 8.0 | 8.3 | 8.6 | 8.6 |
| Industrial | 7.6 | 8.1 | 8.3 | 8.6 | 8.8 |
| Overall average | 8.0 | 8.0 | 8.3 | 8.6 | 8.6 |
| Target | 8.0 | 8.0 | 8.0 | 8.3 | 8.0 |
| Net Promoter Score (score between -100 and +100) | | | | | |
| Office | +35 | +31 | +33 | +46 | +47 |
| Industrial | +6 | +30 | +28 | +45 | +63 |
| Combined | +28 | +31 | +32 | +46 | +50 |
| Survey participation rate (%) | | | | | |
| Office | 41 | 45 | 46 | 48 | 42 |
| Industrial | 28 | 27 | 45 | 46 | 24 |
| Overall average | 37 | 41 | 46 | 48 | 39 |

Green leases

| Take-up of green leases within new lease agreements (%) | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|-----------|-----------|-----------|-----------|------------|
| Office | 91 | 90 | 97 | 92 | 98 |
| Industrial | 57 | 55 | 68 | 62 | 88 |
| Retail | 95 | 88 | 100 | 100 | 100 |
| Total portfolio | 88 | 84 | 91 | 90 | 97 |

Commentary

Dexus has incorporated a standard green lease clause into new leases across the portfolio and monitors the take-up of this clause by customers across each portfolio.

Community contribution

Volunteering and donations

| | FY16 | FY17 | FY18 | FY19 | FY20 |
|---------------------------------------|----------------|----------------|----------------|------------------|------------------|
| Value donated or raised | | | | | |
| Corporate donations (\$) | 180,842 | 214,052 | 296,078 | 263,118 | 455,065 |
| Employee volunteering activities (\$) | 89,779 | 75,191 | 74,858 | 147,189 | 44,916 |
| In-kind support (\$) | 532,646 | 437,258 | 626,596 | 794,729 | 632,544 |
| Total (\$) | 803,268 | 726,501 | 997,532 | 1,205,035 | 1,132,525 |
| Hours volunteered | | | | | |
| Dexus volunteering program (hours) | 1,049 | 853 | 878 | 1,711 | 493 |

Commentary and methodology

Charitable donations

Activities comprise:

- Financial contributions to nominated charities
- Direct financial contributions to nominated charities and not-for-profit organisations plus proceeds from fundraising events held by charitable organisations within Dexus-managed buildings and shopping centres
- Community sponsorships, advertising and promotions
- A dollar-for-dollar matching program
- The value of goods purchased for charity events and appeals

In-kind support

Dexus offers in-kind support to not-for-profit organisations or community groups to support their cause/fundraising activities and includes the provision of goods or services and the value of space provided in the building at no charge.

Volunteering

Employee volunteering activities include:

- Volunteering leave taken in company time by Dexus employees to undertake community work
- Participation on charity committees/boards where the individual is acting in the capacity as a Dexus employee

Volunteer hours are calculated as the total full-time equivalent hours worked by employees in nominated community and charitable activities, capped at 7.6 hours per employee which is equivalent to Dexus's volunteering leave entitlement.

Supply chain

| Procurement and supply chain monitoring | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|------|------|-------|-------|-------|
| Critical suppliers | 131 | 113 | 111 | 96 | 175 |
| Critical suppliers % of operational spend | 37 | 42 | 45 | 38 | 37 |
| Supplier Net Promoter Score ¹ | – | – | +67 | +66 | +51 |
| Supplier assessment and monitoring | | | | | |
| Supplier engagement assessment response rate (%) | – | 38 | 35 | 68 | 70 |
| Assessment coverage of operational spend (%) | 19 | 14 | 26 | 38 | 53 |
| Contractor monitoring spot checks conducted | 44 | 919 | 1,190 | 1,163 | 1,150 |
| Contractor monitoring coverage of operational spend (%) | 13 | 36 | 39 | 41 | 36 |

1. Net Promoter Score is based on a range of -100 to +100.

Commentary and methodology

Dexus defines a critical supplier as one whose services are required daily for the normal operation of a building. Critical suppliers are retained on a centralised Preferred Supplier List. The number of critical suppliers increased in FY20 with the inclusion of additional supplier categories on the Preferred Supplier List.

| Operational procurement spend breakdown | % | Environmental and social risk rating (key risks) |
|--|----|---|
| Capital Works | 20 | High (safety, product country of origin human rights, product recyclability, worker skill levels, appropriate wages and benefits, subcontracting) |
| Statutory fees and levies | 20 | Very low |
| Cleaning | 11 | High (appropriate wages and benefits, migrant labour, safe handling of chemicals, waste environmental impacts) |
| Management expenses | 7 | Very low |
| Maintenance & other property expenses | 6 | Low |
| Security | 6 | Medium (safety, worker skill levels, public relations) |
| Mechanical & vertical transport | 5 | Medium (safety, working in confined spaces, accreditation systems) |
| Legal, insurance and compliance | 5 | Low |
| External facilities managers | 5 | Very low |
| Energy | 5 | Medium (greenhouse gas emissions, land degradation, price and supply reliability) |
| Electrical, fire protection and plumbing | 3 | Low |
| Marketing & leasing | 3 | Low |
| Façade | 2 | High (product country of origin human rights, product recyclability, worker skill levels, appropriate wages and benefits, safety) |
| Water | 2 | Medium |

Commentary and methodology

Operational spend data is collected from Dexus's financial system and assigned to a spend category based on the supplier name and the code attributed to the spend item. Risk ratings are based on a periodic group-wide supply chain sustainability risk assessment that identifies and categorises the environmental risks relevant to our geographical operations and the types of products and services we procure. For more information on our approach to supply chain management please refer to the 2020 Sustainability Approach and Procedures. Numbers may not add to 100 because of rounding.

Enriched Environment

The environmental data in this section supports the performance reporting in the 2020 Sustainability Performance Pack.

For background on the management frameworks and procedures that support our environmental performance refer to the 2020 Sustainability Approach and Procedures, on page 137.

Glossary

| Acronym | Definition |
|---|--|
| Carbon emissions | See GHG |
| Carbon offset | Fully accredited and traded carbon credits from programs such as The Gold Standard and the Verified Carbon Standard from project activities that prevent, reduce or remove greenhouse gas emissions from being released into the atmosphere to compensate for emissions occurring elsewhere |
| Climate Active | Australia's Climate Active Carbon Neutral Program (www.climateactive.org.au) |
| CFCs | Chlorofluorocarbons (CFCs) are nontoxic, non-flammable chemicals containing atoms of carbon, chlorine, and fluorine. CFCs are believed to be a major cause of stratospheric ozone depletion |
| Energy productivity | An indicator of the amount of economic output derived from each unit of energy consumed |
| Emissions productivity | An indicator of the amount of economic output derived from each unit of greenhouse gas emissions |
| ESC | Energy Savings Certificate (a tradeable certificate created from accredited savings under the ESS) |
| ESS | NSW Government Energy Savings Scheme (www.ess.nsw.gov.au) |
| GBCA | Green Building Council of Australia (new.gbca.org.au) |
| GHG | Greenhouse gas emissions, measured in equivalent tonnes of carbon dioxide (t CO ₂ -e) – (gases that contribute to climate change, the main ones being carbon dioxide CO ₂ , methane CH ₄ , nitrous oxides NO _x , sulphur oxides SO _x , Nitrogen Trifluoride NF ₃ and HCFCs). Also referred to as carbon emissions |
| GHG Protocol | The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – guidance on accounting and reporting greenhouse gas emissions (ghgprotocol.org) |
| Greenhouse Gas Protocol: Scope 2 Guidance | Guidance on accounting and reporting Scope 2 emissions (ghgprotocol.org/scope_2_guidance) |
| GreenPower | Emission-free electricity sourced via a certified GreenPower Product (www.greenpower.gov.au) |
| Green Star | An environmental rating tool, administered by the GBCA for commercial design and construction, used to evaluate a building's impact against eight categories |
| GRESB | Global Real Estate Sustainability Benchmark |
| HCFCs | Hydrochlorofluorocarbons (HCFCs) are compounds containing carbon, hydrogen, chlorine and fluorine. Industry and the scientific community view certain chemicals within this class of compounds as acceptable temporary alternatives to chlorofluorocarbons. The HCFCs have shorter atmospheric lifetimes than CFCs and deliver less reactive chlorine to the stratosphere where the "ozone layer" is found |
| LGC | Large-scale generation certificate (a tradeable certificate generated from producing renewable energy) |
| NABERS | National Australian Built Environment Rating System (www.nabers.gov.au) |
| NGER | National Greenhouse and Energy Reporting Act |
| RE100 | Voluntary initiative for companies committed to sourcing 100% renewable power (http://www.there100.org/) |
| RPP | Renewable Power Percentage, published annually by Australia's Clean Energy Regulator: http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/the-renewable-power-percentage |
| SBT, SBTi | Science-based target, Science Based Targets initiative (sciencebasedtargets.org) |
| SIP | Strategic Improvement Plan, prepared by Dexus that capture energy, water and waste improvement opportunities and forecast a pathway towards resource efficiency targets |
| TCFD | Task Force on Climate-related Financial Disclosure – a set of recommendations for voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders (www.fsb-tcfd.org) |

Resource consumption data preparation

Resource consumption data is derived from office, industrial, retail and healthcare properties owned or managed by Dexu for part or all of the 12 months ending 30 June 2020, with the inclusion of Dexu corporate tenancies.

Dexu has prepared its environmental dataset to fully align with NGER by adding minor source items and confirming calculation methods and factors. Prior years' data has been updated to reflect current information where applicable, resulting in minor restatements. Repetition only occurs when there is an overlap of reporting periods. There may be small discrepancies in the totals in some tables due to rounding.

Like-for-like data has been based on a portfolio whereby operational control and data for energy and water was available for the full 24-month like-for-like period.

Reporting boundaries

| Boundary Name and Description | Used for |
|---|---|
| Dexu operational control for corporate reporting | |
| Dexu has applied the principles contained within the National Greenhouse and Energy Reporting Act 2007 and its associated guidelines to determine the operational control of its properties across Australia. Dexu has operational control of a facility if it has the authority to introduce and implement any or all of the operating, health and safety and environmental policies for the facility. | Group managed portfolio – environmental inventory and intensities pages 77-78 |
| Where Dexu has operational control of a facility, it reports 100% of energy, water, waste and emissions applicable to base building operations. Dexu excludes energy consumption from tenant spaces where the tenant receives separately metered energy invoices and excludes whole facilities where they are leased to a single tenant occupying the entire premises | Group managed portfolio – market-based emissions inventory page 79 |
| | Progress against commitments and performance targets page 81 |
| | Dexu group portfolio – environmental metrics pages 82-85 |
| Equity share boundary based on landlord control for fund reporting | |
| 'Landlord controlled' and 'tenant controlled' areas are defined by GRESB within its 2020 Real Estate Assessment Reference Guide. In essence, this boundary consists of reporting on all common area building spaces and services on all properties within a Dexu entity on an equity share basis, irrespective of whether Dexu or another landlord has operational control. The separation is defined between landlord and tenant, not between operators. | NABERS portfolio averages pages 86-87 |
| Tenant spaces, and buildings that are wholly under the control of tenants (e.g. through triple net leases) are not reported, with the exception of Healthcare Wholesale Property Fund which reports whole buildings. | Portfolio environmental metrics and intensities (pages 88-95): |
| | – Dexu (DXS) listed portfolio |
| | – Dexu Wholesale Property Fund (DWPF) portfolio |
| | – Dexu Office Trust (DOT) portfolio |
| | – Healthcare Wholesale Property Fund (HWPF) portfolio |
| Carbon Neutrality | |
| Dexu has defined a 'Corporate carbon neutral boundary' for the purposes of achieving carbon neutrality under Australia's Climate Active Carbon Neutral Standard. The boundary includes Dexu regional office tenancies and proportion of corresponding base building services attributable to each tenancy, as well as corporate travel across all staff employed directly by Dexu nationally. | Dexu corporate operations – Voluntary greenhouse gas abatement (page 80) |

Location-based vs market-based emissions accounting

Dexu has traditionally reported its greenhouse gas emissions in accordance with NGER and the GHG Protocol using 'location-based' emissions accounting, whereby Scope 2 and Scope 3 emissions from electricity purchases are accounted for using published state-based electricity grid emissions factors.

In conjunction with Dexu's target to achieve net zero greenhouse gas (GHG) emissions by 2030, since 2018 Dexu has also adopted market-based emissions accounting as defined within the GHG Protocol Scope 2 Guidance. Market-based electricity emissions calculations take into account purchases of renewable energy directly via Power purchase Agreements or GreenPower and supplied via retailers in line with Australia's Renewable Energy Target.

Dexu has separated its electricity purchases between renewable electricity (direct purchases and indirect via retailers), which is accounted for as zero emissions, and remaining non-renewable electricity, which is deemed to be derived from fossil fuels, where emissions are accounted for by applying state-based 'residual mix factors'.

Residual mix factors representing the emissions from fossil fuel electricity generators are derived from the Scope 2 & 3 location-based factors above for each state, by scaling them for the proportion of electricity generated from fossil fuels by subtracting the Renewable Power Percentage (RPP) from total (or 100%) of electricity supplied. This approach assumes that the proportion of renewable energy is equitably distributed across Australia.

Refer to the Dexu 2020 Assurance Criteria at pages 172-181 for further details including the list of consumption and emission sources, and references for factors that have been applied.

Group managed portfolio – environmental inventory

| Metric | Base year ¹ | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|------------------------|----------------|----------------|----------------|----------------|------------------|
| Greenhouse gas emissions (t CO₂-e) – Group managed portfolio | | | | | | |
| Scope 1 | 6,226 | 17,686 | 19,694 | 18,909 | 17,708 | 17,212 |
| Scope 2 (location-based) | 151,951 | 136,789 | 128,858 | 131,114 | 127,579 | 117,920 |
| Subtotal Scope 1 & 2 | 158,176 | 154,476 | 148,551 | 150,023 | 145,286 | 135,133 |
| Scope 3 – property portfolio | 27,600 | 34,656 | 35,214 | 36,260 | 32,601 | 27,446 |
| Scope 3 – corporate operations | 0 | 1,906 | 1,869 | 1,859 | 2,335 | 1,467 |
| Total Scopes 1, 2 & 3⁴ | 185,776 | 191,038 | 185,634 | 188,142 | 180,223 | 164,046 |
| Energy and water consumption | | | | | | |
| Total net energy consumption (GJ) ⁴ | 735,723 | 755,923 | 727,730 | 723,164 | 690,646 | 642,190 |
| Total net energy consumption (MWh) | 204,367 | 209,978 | 202,147 | 200,879 | 191,846 | 178,386 |
| Water consumption (kL) ⁴ | 1,350,003 | 1,623,436 | 1,668,155 | 1,765,257 | 1,720,626 | 1,523,195 |
| Waste and recycling | | | | | | |
| Waste to Landfill (tonnes) | 4,828 | 8,083 | 9,468 | 10,450 | 9,609 | 7,935 |
| Recycling (tonnes) ² | 3,730 | 6,542 | 7,008 | 7,001 | 6,363 | 5,063 |
| Total waste (tonnes)^{2,4} | 8,559 | 14,626 | 16,476 | 17,451 | 15,971 | 12,998 |
| Waste data coverage across portfolio ³ | 70% | 95% | 98% | 99% | 100% | 98% |

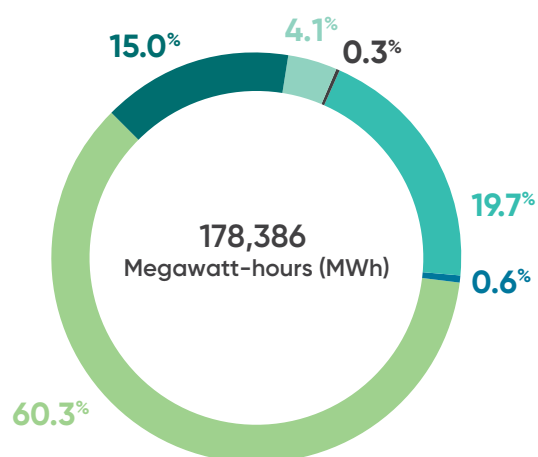
1. FY08 represents the group's base year for energy, water and greenhouse gas emissions. FY12 represents the group's base year for waste diversion from landfill.

2. Excludes secure paper.

3. Coverage by net lettable area across office and retail portfolio, excludes industrial properties as Dexus does not manage waste.

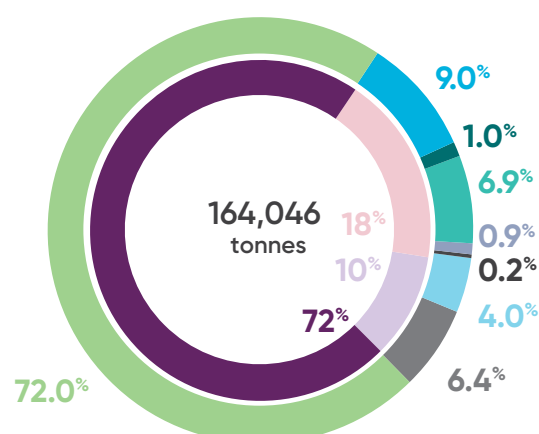
4. FY20 data independently assured.

FY20 primary energy use by source



- Non-renewable Electricity grid residual mix (60.3%)
- Renewable Electricity grid supplied (LGCs) (15.0%)
- Renewable Electricity GreenPower purchases (4.1%)
- Solar energy (0.3%)
- Natural gas (19.7%)
- Diesel (0.6%)

FY20 GHG emissions by source (location-based)



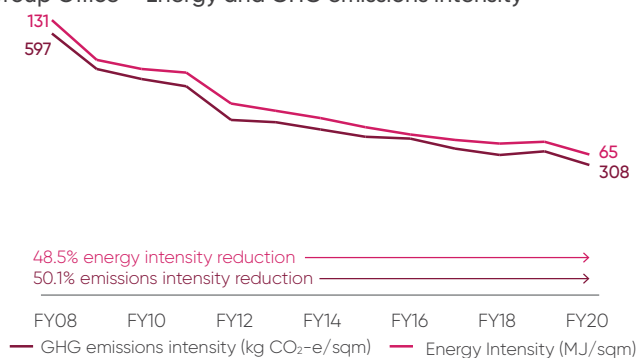
- Electricity (72.0%)
- Energy transmission & distribution (9.0%)
- Water & wastewater (1.0%)
- Waste & recycling (6.9%)
- Corporate travel & consumables (0.9%)
- Natural Gas (4.0%)
- Refrigerants (6.4%)
- Diesel (0.2%)
- Scope 1 (10%)
- Scope 2 (72%)
- Scope 3 (18%)

Group managed portfolio – consumption/emissions on an intensity basis

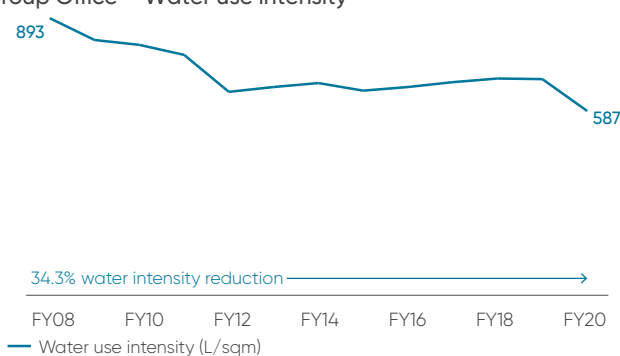
| | Metric | Managed portfolio | | | | Like-for-like ² | | 12 month change |
|----------------------------|--|------------------------|-------|-------|-------------|----------------------------|-------------|-----------------|
| | | Base year ¹ | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Group Office portfolio | Energy consumption (MJ/sqm) | 597 | 330 | 338 | 308 | 326 | 296 | -9.1% |
| | Water consumption (L/sqm) | 893 | 694 | 692 | 587 | 690 | 585 | -15.2% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 131 | 71 | 72 | 65 | 70 | 64 | -7.9% |
| | Waste diversion from landfill | 57% | 45% | 43% | 43% | 42% | 40% | -3.1% |
| Group Retail portfolio | Energy consumption (MJ/sqm) | 489 | 507 | 378 | 330 | 398 | 363 | -8.8% |
| | Water consumption (L/sqm) | 1,267 | 1,315 | 1,104 | 930 | 1,088 | 912 | -16.2% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 94 | 92 | 77 | 66 | 77 | 68 | -11.8% |
| | Waste diversion from landfill | 31% | 33% | 35% | 34% | 38% | 37% | -2.1% |
| Group Industrial portfolio | Energy consumption (MJ/sqm) | 51.6 | 15.8 | 17.2 | 15.8 | 17.7 | 16.7 | -5.8% |
| | Water consumption (L/sqm) | 237 | 234 | 288 | 263 | 291 | 248 | -14.7% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 12.9 | 3.2 | 3.6 | 3.3 | 3.7 | 3.5 | -5.8% |

1. FY08 represents the group's base year for energy, water and greenhouse gas emissions. FY12 represents the group's base year for waste diversion from landfill.
 2. Properties under landlord control for FY19 and FY20 periods.

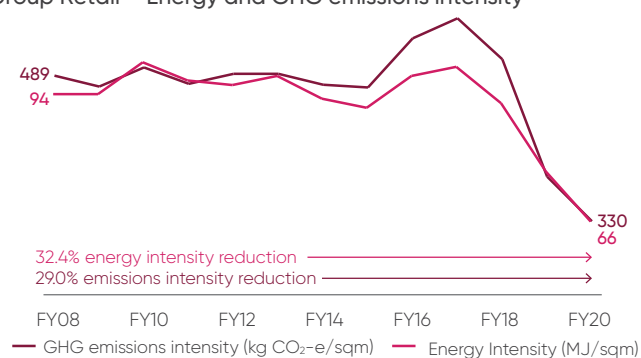
Group Office – Energy and GHG emissions intensity



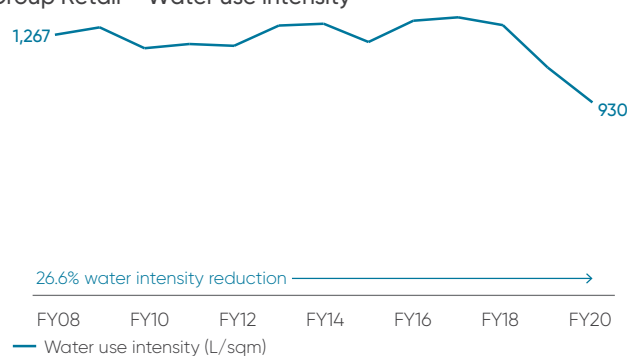
Group Office – Water use intensity



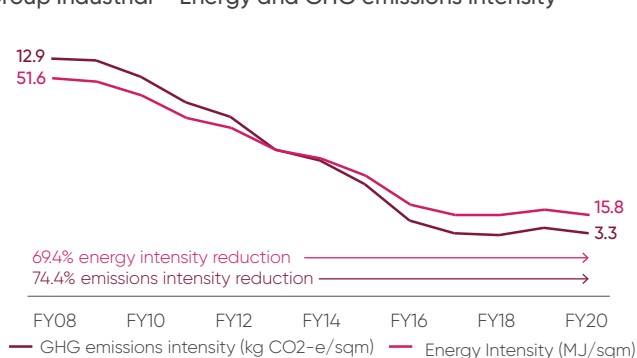
Group Retail – Energy and GHG emissions intensity



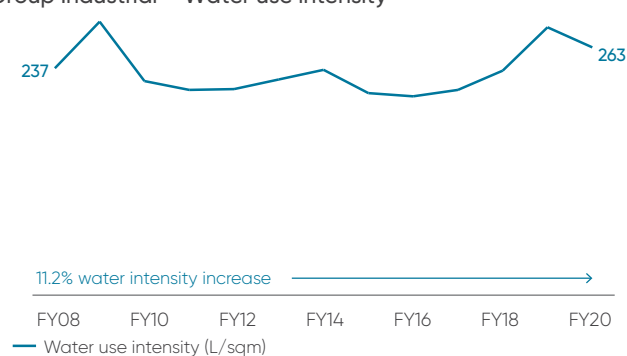
Group Retail – Water use intensity



Group Industrial – Energy and GHG emissions intensity



Group Industrial – Water use intensity



Group managed portfolio – Market-based emissions inventory

| Metric | | FY08 | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Grid-purchased electricity | | | | | | | |
| Renewable Electricity – Direct voluntary renewable electricity purchases supported by an energy attribute certificate | GJ | 54,092 | 26,848 | 19,453 | 13,871 | 25,562 | 26,415 |
| | MWh | 15,025 | 7,458 | 5,404 | 3,853 | 7,101 | 7,337 |
| Renewable Electricity – Renewable energy portion of grid-purchases (LGCs) via Energy Retailers in line with Australia's Renewable Energy Target (RET) | GJ | 29,330 | 66,254 | 71,954 | 83,070 | 94,066 | 96,067 |
| | MWh | 8,147 | 18,404 | 19,987 | 23,075 | 26,130 | 26,685 |
| Non-renewable Electricity – Balance of grid-purchases via Energy Retailers accounted using grid residual mix emission factors | GJ | 531,565 | 465,817 | 445,640 | 455,125 | 426,364 | 387,234 |
| | MWh | 147,657 | 129,394 | 123,789 | 126,424 | 118,434 | 107,565 |
| Total electricity consumption | GJ | 614,987 | 558,919 | 537,047 | 552,066 | 545,992 | 509,716 |
| | MWh | 170,830 | 155,255 | 149,180 | 153,352 | 151,665 | 141,588 |
| Market-based GHG emissions (t CO₂-e) | | | | | | | |
| Scope 1 GHG emissions (t CO ₂ -e) | | 6,226 | 17,686 | 19,694 | 18,909 | 17,708 | 17,212 |
| Scope 2 market-based GHG emissions (t CO ₂ -e), comprising: | | 136,106 | 128,822 | 123,096 | 127,314 | 120,314 | 110,324 |
| <i>Electricity – Renewable purchases accounted using source-based emission factor supported by an energy attribute certificate</i> | | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Electricity – grid-purchases accounted using grid residual mix emission factors</i> | | 136,106 | 128,822 | 123,096 | 127,314 | 120,314 | 110,324 |
| Scope 3 GHG market-based emissions (t CO ₂ -e) | | 24,803 | 35,518 | 36,372 | 37,576 | 34,076 | 28,082 |
| Scope 1, 2 & 3 market-based GHG emissions (t CO₂-e) | | 167,134 | 182,026 | 179,162 | 183,798 | 172,098 | 155,618 |
| Voluntary offsetting | | | | | | | |
| Voluntary offsets surrendered by Dexus ¹ | | 0 | 2,700 | 3,000 | 3,000 | 3,725 | 5,000 |
| Net GHG emissions (t CO₂-e) | | 167,134 | 179,326 | 176,162 | 180,798 | 168,373 | 150,618 |

1. Offsets comprise eligible offset units, each relating to 1 tonne of carbon dioxide equivalent, recognised under Australia's Climate Active Carbon Neutral Standard.

The inventory above represents the group's managed portfolio on an operational control basis.

Emissions calculations follow a 'market-based' approach which involves accounting separately for renewable electricity purchases using a source-based emission factor supported by an 'energy attribute certificate', and separately for remaining electricity purchases using 'residual mix' average grid emission factors, as defined within The Greenhouse Gas Protocol: Scope 2 Guidance.

Dexus corporate operations – Voluntary greenhouse gas abatement

Dexus participates in Climate Active, the Australian Government Carbon Neutral program, and maintains carbon neutral certification for its corporate operations under the Climate Active Carbon Neutral Standard.

In 2011 Dexus was the first real estate investment trust in Australia to achieve a carbon neutral certification for our head office. Since then, the reporting boundary has been expanded across corporate operations, including:

- Dexus office tenancies for Sydney, Brisbane and Melbourne, and proportion of base building services attributable to those tenancies
- Corporate travel and employee commuting for all staff employed directly by Dexus nationally

The group has offset:

- Direct emissions from refrigeration and electricity usage
- Indirect tenancy-related emissions including waste and recycling, office paper use and stationery, water & wastewater, telecommunications, IT equipment and data warehousing, and catering
- Indirect employee-related emissions including corporate air travel, car mileage claimed for national employees, taxi travel, hire cars and employee commuting

| Metric | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|--------------|--------------|--------------|--------------|--------------|
| Greenhouse gas emissions (t CO₂-e) | | | | | |
| Scope 1 | 1 | 1 | 1 | 0 | 0 |
| Scope 2 | 248 | 266 | 311 | 379 | 389 |
| Scope 3 comprising the following: | 2,312 | 2,246 | 2,269 | 2,794 | 1,958 |
| <i>tenancies and base building energy/refrigerants</i> | 390 | 365 | 389 | 443 | 540 |
| <i>office paper use and waste</i> | 24 | 18 | 19 | 19 | 25 |
| <i>corporate travel</i> | 927 | 898 | 1,039 | 1,095 | 714 |
| <i>employee commuting</i> | 501 | 507 | 561 | 528 | 217 |
| <i>IT, catering, accommodation, water use</i> | 471 | 458 | 261 | 709 | 462 |
| Avoided emissions from renewable energy purchased by Dexus | 0 | -2 | 0 | -4 | -10 |
| Avoided emissions from carbon neutral products purchased by Dexus | 0 | 0 | -6 | -6 | -12 |
| Total emissions (Scopes 1, 2 & 3) | 2,561 | 2,512 | 2,575 | 3,164 | 2,325 |
| Voluntary carbon abatement (t CO₂-e) | | | | | |
| Carbon offsets purchased and retired by Dexus | 2,700 | 2,700 | 3,000 | 3,725 | 5,000 |

Energy Savings Scheme

Dexus creates Energy Savings Certificates (ESCs) through participation in the NSW Energy Savings Scheme (ESS) for improvements in base building energy efficiency. The NSW Government scheme is administered by the NSW Independent Pricing and Regulatory Tribunal. ESCs are earned for each demonstrated tonne of carbon dioxide saved. Each ESC is equivalent to 1 tonne of carbon dioxide equivalent (t CO₂-e).

| Energy Savings Certificates (ESCs) | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|--------|--------|--------|--------|--------|--------|-------|-------|
| Energy consumption avoided ¹ | 16,042 | 40,391 | 21,041 | 31,883 | 4,339 | 11,241 | 6,540 | 5,930 |
| ESCs created ² | 17,004 | 42,814 | 22,303 | 33,796 | 4,599 | 11,915 | 6,932 | 6,286 |
| ESCs traded ² | 0 | 32,446 | 58,093 | 15,934 | 18,052 | 16,514 | 0 | 0 |

1. According to the ESS rule, each ESC has a value of 1 notional megawatt hour, where each notional megawatt hour is attributable to energy savings arising from a recognised energy saving activity (undertaken by Dexus group). These notional savings are reported as energy consumption avoided, and are converted from actual electricity and gas savings using factors of 1.06 and 0.39 respectively.

2. Includes 25,389 ESCs transferred to Dexus for properties acquired within the Dexus Office Partnership in April 2014.

Progress against commitments and performance targets

Progress: Group's FY20 5 star NABERS commitment

In FY15, Dexus committed to deliver by 2020:

- 1,000,000 square metres of office space rated at least 5 star NABERS Energy rating
- 1,000,000 square metres of office space rated at least 4 star NABERS Water rating

The table below reports on performance against the five-year target, which is reported in absolute terms on a like-for-like basis against the FY15 baseline.

| NABERS metrics | FY15 | FY17 | FY18 | FY19 | FY20 | Change from FY15 |
|---|---------|---------|---------|---------|------------------|------------------|
| Rated at 5 star NABERS Energy or higher (sqm) | 597,320 | 634,594 | 892,393 | 950,351 | 1,053,157 | 455,837 |
| Progress against NABERS Energy target | 60% | 63% | 89% | 95% | 105% | 76% |
| Rated at 4 star NABERS Water or higher (sqm) | 770,270 | 615,884 | 615,074 | 757,423 | 1,058,585 | 288,315 |
| Progress against NABERS Water target | 77% | 62% | 62% | 76% | 105% | 37% |

Progress: Achieve net zero emissions by 2030 across managed portfolio

In FY18, Dexus committed to achieve net zero emissions across its managed portfolio by 2030. The table below reports on Dexus's total Scope 1, 2 and 3 (market-based) emissions, voluntary abatement, and total net greenhouse gas emissions since FY18.

| Net zero by 2030 progress (t CO ₂ -e) | FY18 | FY19 | FY20 | FY30 target |
|--|----------------|----------------|----------------|-------------|
| Total Scope 1 & 2 market-based GHG emissions | 146,223 | 138,022 | 127,537 | |
| Scope 3 market-based GHG emissions | 37,576 | 34,076 | 28,082 | |
| Voluntary abatement via Certified Offsets | -3,000 | -3,725 | -5,000 | |
| Total net greenhouse gas emissions | 180,798 | 168,363 | 150,618 | 0 |

Progress: Scope 1 and 2 science-based target, 70% reduction by 2030 against FY18 baseline

Dexus has received certification from the Science Based Targets initiative that its Scope 1 and 2 target of a 70% reduction by 2030 (FY18 baseline) is aligned with the ambitions of the UN Paris Agreement. Dexus's science-based target is part of Dexus's pathway to achieve net zero emissions by 2030.

| Scope 1 & 2 science-based target progress | FY18 | FY19 | FY20 | FY30 target |
|--|----------------|----------------|------------------|---------------|
| Dexus Scope 1 emissions (t CO ₂ -e) | 18,909 | 17,708 | 17,212 | |
| Dexus Scope 2 market-based emissions (t CO ₂ -e) | 127,314 | 120,314 | 110,324 | |
| Dexus Scope 1 & 2 market-based emissions (t CO₂-e) | 146,223 | 138,022 | 127,537 | 44,396 |
| Net lettable area (sqm) | 2,781,380 | 2,793,454 | 2,892,928 | |

Progress: 100% of electricity needs sourced from renewables (RE100)

| 100% renewable electricity target | FY18 | FY19 | FY20 | FY25 target | FY30 target |
|---|------|------|------------|-------------|-------------|
| Proportion of electricity needs sourced from renewables | 18% | 22% | 24% | 70% | 100% |

Dexus group portfolio – Environmental metrics

Energy consumption and production by source

| Energy | | FY08 ¹ | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|--|-------------------|---------|---------|---------|---------|---------|
| Energy consumption (MWh) | | | | | | | |
| Fuels | Natural gas | 33,272 | 53,028 | 51,129 | 45,940 | 38,168 | 35,227 |
| | Diesel | 266 | 1,513 | 1,563 | 1,295 | 1,688 | 1,032 |
| Renewable electricity | Solar energy | 0 | 183 | 276 | 292 | 325 | 540 |
| | Purchased renewable electricity | 8,147 | 18,404 | 19,987 | 23,075 | 26,130 | 26,685 |
| | GreenPower purchases | 15,025 | 7,458 | 5,404 | 3,853 | 7,101 | 7,337 |
| Non-renewable electricity | Purchased non-renewables (grid) | 147,657 | 129,394 | 123,789 | 126,424 | 118,434 | 107,565 |
| | Electricity consumed from on-site thermal generation | 106 | 788 | 901 | 810 | 1,000 | 953 |
| Total energy consumption | | 204,474 | 210,766 | 203,048 | 201,688 | 192,846 | 179,339 |
| Energy production (MWh) | | | | | | | |
| Electricity produced from thermal generation for onsite use | | 106 | 605 | 625 | 518 | 675 | 413 |
| Electricity produced from thermal generation and exported | | 0 | 0 | 0 | 0 | 0 | 0 |
| Electricity produced from solar generation for onsite use | | 0 | 183 | 276 | 292 | 325 | 540 |
| Electricity produced from solar generation and exported | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total energy production | | 106 | 788 | 901 | 810 | 1,000 | 953 |
| Total net energy consumption | | 204,367 | 209,978 | 202,147 | 200,879 | 191,846 | 178,386 |
| Renewable energy use | | | | | | | |
| Total renewable energy consumption | | 23,173 | 26,044 | 25,666 | 27,220 | 33,555 | 34,563 |
| Proportion of group energy consumption from renewable sources | | 11.3% | 12.4% | 12.7% | 13.6% | 17.5% | 19.4% |
| Total renewable electricity consumption | | 23,173 | 26,044 | 25,666 | 27,220 | 33,555 | 34,563 |
| Proportion of group electricity consumption from renewable sources | | 13.6% | 16.7% | 17.1% | 17.7% | 22.0% | 24.2% |

1. FY08 represents the group's base year.

Net energy consumption comprises energy that is consumed within properties as measured at the property boundary and accounts for energy produced or consumed within a property through energy transformations such as cogeneration. Net energy consumption excludes energy that is purchased or generated by Dexus and on-sold to customers or exported off-site. Dexus does not consume or export steam, heating or cooling from/to district thermal sources.

Water consumption by source

| Water consumption (kL or cubic metres) | FY08 ¹ | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|
| Office | 837,781 | 1,072,758 | 1,088,096 | 1,143,407 | 1,145,016 | 994,547 |
| Retail | 370,229 | 378,637 | 401,340 | 423,834 | 332,269 | 291,676 |
| Industrial | 141,993 | 161,753 | 170,704 | 187,448 | 238,526 | 230,108 |
| Total potable water consumption | 1,350,003 | 1,613,149 | 1,660,140 | 1,754,689 | 1,715,811 | 1,516,331 |
| Recycled water recovery | 0 | 10,288 | 8,015 | 10,568 | 4,815 | 6,863 |
| Total water consumption including recycled water | 1,350,003 | 1,623,436 | 1,668,155 | 1,765,257 | 1,720,626 | 1,523,195 |
| Proportion of water use from recycled sources | 0.0% | 0.6% | 0.5% | 0.6% | 0.3% | 0.5% |

1. FY08 represents the group's base year.

Within previous years' disclosure, Dexus's water consumption has included water usage from nine current and eight previously managed industrial properties where water is purchased by Dexus and consumed by customers and Dexus for property maintenance.

In FY20 Dexus has aligned its water reporting boundary with its operational control definition applied for energy and emissions, and these properties have classified as tenant controlled. As a result the water consumption for these properties has been removed from the table above and categorised as non-operational water consumption for FY20 disclosure. For comparability with prior disclosure, the water use from these properties is summarised below.

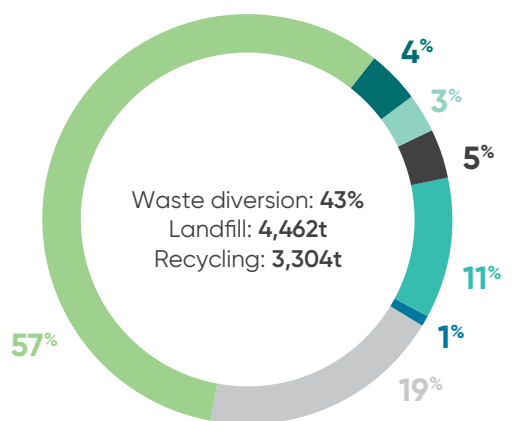
| Non-operational control water consumption (kL or cubic metres) | FY08 ¹ | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|-------------------|----------------|----------------|----------------|---------------|---------------|
| Potable water consumption | 149,041 | 137,125 | 144,434 | 104,540 | 93,781 | 63,550 |
| Recycled water recovery | 0 | 0 | 0 | 0 | 0 | 0 |
| Water consumption including recycled water | 149,041 | 137,125 | 144,434 | 104,540 | 93,781 | 63,550 |
| Proportion of Dexus non-operational control water consumption | 9.9% | 7.8% | 8.0% | 5.6% | 5.2% | 4.0% |

1. FY08 represents the group's base year.

Waste and recycling from property operations by stream

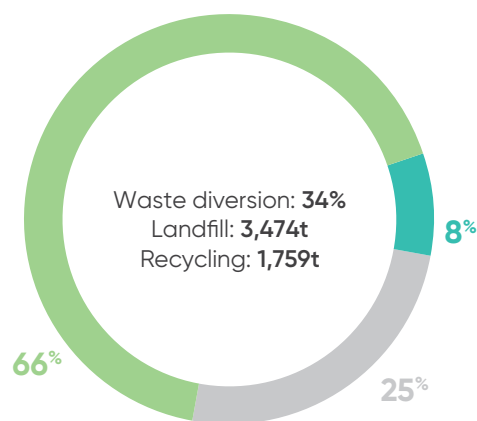
| FY20 waste stream (tonnes) | Office | Retail | |
|---|--------------|--------------|--|
| Dexus managed waste collection | | | |
| Cardboard | 1,458 | 1,320 | Sent to Environment Protection Agency (EPA) licensed receiving facilities that process into raw materials for new products or packaging or on transferred to waste to energy recovery facilities for combustion. |
| Paper | 396 | 0 | |
| Comingle | 861 | 424 | |
| Organics and used cooking oil | 539 | 16 | Sent to EarthPower or similar receiving facility for conversion to green energy and nutrient-rich fertiliser. Energy is produced through the burning of biogases that are produced by the bacteria that digest the organic waste. The digested organic component can then be processed into a fertiliser pellet. |
| E-waste | 49 | 0 | Collected by MRI and sent to their handling facilities for structured disassembly with recovery rate of over 96%. |
| Waste to landfill | 4,462 | 3,474 | Sent directly to landfill or to receiving stations that may process the waste within a bio-reactor to produce energy, conduct downstream material separation and recycling and/or on transferred to waste to energy recovery facilities for combustion. |
| Total waste & recycling (tonnes) | 7,765 | 5,233 | |
| Tenant managed waste collection outside Dexus's waste reporting boundary | | | |
| Secure paper | 25 | 0 | |

FY20 Operational waste by stream – Office



- Waste to landfill (57%)
- Comingle, glass & plastics (11%)
- Cardboard (19%)
- E-waste (1%)
- Paper (5%)
- Organics (4%)
- Cooking oil & grease (3%)

FY20 Operational waste by stream – Retail



- Waste to landfill (66%)
- Comingle, glass & plastics (8%)
- Cardboard (25%)
- E-waste (0%)
- Paper (0%)
- Organics (<1%)
- Cooking oil & grease (0%)

| Waste intensity (kg per sqm) | FY16 | FY17 | FY18 | FY19 | FY20 |
|------------------------------|------|------|------|------|------|
| Office – total waste | 6.2 | 6.5 | 6.4 | 6.0 | 4.6 |
| Retail – total waste | 20.6 | 22.3 | 22.2 | 20.0 | 16.7 |
| Office – waste to landfill | 3.0 | 3.4 | 3.6 | 3.5 | 2.7 |
| Retail – waste to landfill | 13.7 | 14.9 | 14.9 | 13.0 | 11.1 |

Emissions of ozone depleting substances

| | FY08 | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|------|------|------|------|------|------|
| Emissions of ozone depleting substances (t CFC-11e) | n/a | 0.2 | 1.2 | 1.2 | 1.2 | 1.2 |

Dexus does not produce CFCs, HCFCs, halon or methyl bromide. Minor amounts of gases are used in air conditioning units across properties under management. Ozone-depleting substances are being phased out as required.

Greenhouse gas emissions by gas type

| Greenhouse gas emissions (t CO ₂ -e) | FY08 | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Direct greenhouse gas emissions | | | | | | |
| Carbon dioxide (CO ₂) | 6,207 | 10,193 | 9,854 | 8,827 | 7,487 | 6,778 |
| Methane (CH ₄) | 12 | 20 | 19 | 17 | 14 | 13 |
| Nitrous oxide (N ₂ O) | 7 | 7 | 7 | 6 | 5 | 5 |
| Hydrofluorocarbons (HFCs) | 0 | 7,467 | 9,814 | 10,059 | 10,200 | 10,417 |
| Sulphur hexafluoride (SF ₆) | 0 | 0 | 0 | 0 | 0 | 0 |
| Perfluorocarbon (PFC) | 0 | 0 | 0 | 0 | 0 | 0 |
| Nitrogen trifluoride (NF ₃) | 0 | 0 | 0 | 0 | 0 | 0 |
| Scope 1 GHG emissions | 6,226 | 17,686 | 19,694 | 18,909 | 17,708 | 17,212 |
| Indirect greenhouse gas emissions | | | | | | |
| Scope 2 location-based GHG emissions | 151,951 | 136,789 | 128,858 | 131,114 | 127,579 | 117,920 |
| Scope 3 location-based GHG emissions | 27,600 | 36,562 | 37,082 | 38,118 | 34,936 | 28,913 |

Dexus has determined its emissions resulting from the common greenhouse gases reported under the Kyoto Protocol, being carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and Nitrogen Trifluoride (NF₃). Emissions are aggregated into carbon dioxide equivalents (CO₂-e) using factors called global warming potentials (GWPs).

Greenhouse gas emissions by source

| Greenhouse gas emissions (t CO ₂ -e) | FY08 | FY16 | FY17 | FY18 | FY19 | FY20 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Natural gas | 6,159 | 9,837 | 9,485 | 8,522 | 7,081 | 6,535 |
| Diesel | 67 | 382 | 395 | 327 | 427 | 261 |
| Refrigerants | 0 | 7,467 | 9,814 | 10,059 | 10,200 | 10,417 |
| Electricity – location-based | 151,951 | 136,789 | 128,858 | 131,114 | 127,579 | 117,920 |
| Total Scope 1 & 2 location-based GHG emissions | 158,176 | 154,476 | 148,551 | 150,023 | 145,286 | 135,133 |
| Energy transmission and distribution | 26,304 | 20,270 | 19,500 | 19,029 | 16,883 | 14,544 |
| Waste to landfill | 0 | 10,508 | 11,361 | 12,540 | 11,530 | 9,522 |
| Recycled waste | 0 | 2,527 | 2,787 | 2,783 | 2,393 | 1,758 |
| Water & wastewater | 1,295 | 1,351 | 1,566 | 1,908 | 1,795 | 1,623 |
| Corporate sources | 0 | 1,906 | 1,869 | 1,859 | 2,335 | 1,467 |
| Total Scope 3 location-based GHG emissions | 27,600 | 36,562 | 37,082 | 38,118 | 34,936 | 28,913 |

NABERS ratings – Office portfolio

| NABERS portfolio average (star) ¹ | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|------|------|------|------|------|------------|
| Dexus portfolio | | | | | | |
| NABERS Energy | 4.7 | 4.8 | 4.8 | 4.9 | 5.0 | 5.0 |
| NABERS Energy performance | 4.4 | 4.5 | 4.5 | 4.7 | 4.8 | 4.8 |
| NABERS Water | 3.8 | 3.7 | 3.6 | 3.6 | 3.6 | 3.7 |
| Dexus Office Partnership | | | | | | |
| NABERS Energy | 4.8 | 4.8 | 4.9 | 4.9 | 4.9 | 5.0 |
| NABERS Energy performance | 4.7 | 4.7 | 4.7 | 4.8 | 4.7 | 4.8 |
| NABERS Water | 3.9 | 3.9 | 3.9 | 3.7 | 3.7 | 4.0 |
| Funds Management portfolio | | | | | | |
| NABERS Energy | 4.7 | 4.8 | 4.9 | 4.9 | 4.9 | 5.0 |
| NABERS Energy performance | 4.4 | 4.4 | 4.6 | 4.7 | 4.7 | 4.8 |
| NABERS Water | 3.6 | 3.6 | 3.7 | 3.6 | 3.5 | 3.7 |
| Dexus Wholesale Property Fund | | | | | | |
| NABERS Energy | 4.5 | 4.6 | 4.8 | 4.8 | 4.8 | 5.0 |
| NABERS Energy performance | 4.1 | 4.2 | 4.5 | 4.6 | 4.7 | 4.8 |
| NABERS Water | 3.2 | 3.3 | 3.3 | 3.3 | 3.2 | 3.5 |
| Dexus group office portfolio | | | | | | |
| NABERS Energy | 4.7 | 4.8 | 4.8 | 4.9 | 5.0 | 5.0 |
| NABERS Energy performance | 4.4 | 4.5 | 4.6 | 4.7 | 4.8 | 4.8 |
| NABERS Water | 3.7 | 3.7 | 3.6 | 3.6 | 3.5 | 3.7 |
| NABERS Waste ² | – | – | – | – | – | 2.7 |
| NABERS Indoor Environment ² | – | – | – | – | – | 4.0 |

1. As at 30 June each year.

2. Dexus commenced publishing portfolio average ratings for NABERS Waste and NABERS Indoor Environment in FY20.

NABERS ratings – Retail portfolio

| NABERS portfolio average (star) ¹ | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 |
|--|------|------|------|------|------|------------|
| Dexus Wholesale Property Fund – managed portfolio | | | | | | |
| NABERS Energy | 3.9 | 3.4 | 3.1 | 3.5 | 4.0 | 4.0 |
| NABERS Water | 4.1 | 4.2 | 3.2 | 3.5 | 3.8 | 4.0 |
| Funds Management portfolio – managed portfolio | | | | | | |
| NABERS Energy | 3.9 | 3.6 | 3.3 | 3.5 | 3.9 | 4.0 |
| NABERS Water | 4.1 | 4.1 | 3.5 | 3.5 | 3.6 | 3.7 |

1. As at 30 June each year.

Dexus (DXS) portfolio – Environmental metrics

Dexus portfolio – Absolute and like-for-like inventories

| Metric | | Absolute | | | | Like-for-like ² | | 12 month change |
|---|--|------------------------|---------|---------|---------|------------------------------|---------|-----------------|
| | | Base year ¹ | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Energy consumption (MWh) | | | | | | | | |
| Non-renewable energy | Natural gas | 23,211 | 20,927 | 16,705 | 16,147 | 12,977 | 11,056 | -14.8% |
| | Diesel | 182 | 610 | 695 | 458 | 502 | 304 | -39.5% |
| | Electricity – grid-purchases | 71,863 | 55,025 | 50,576 | 47,583 | 40,371 | 36,608 | -9.3% |
| Total non-renewable energy consumption | | 95,256 | 76,562 | 67,976 | 64,188 | 53,851 | 47,969 | -10.9% |
| Renewable energy | Electricity – GreenPower and LGC purchases | 13,257 | 12,303 | 14,982 | 16,106 | 12,435 | 12,737 | 2.4% |
| | Solar energy | 0 | 151 | 182 | 398 | 117 | 352 | 201.2% |
| Total renewable energy consumption | | 13,257 | 12,454 | 15,164 | 16,504 | 12,552 | 13,089 | 4.3% |
| Total energy consumption | | 108,514 | 89,016 | 83,140 | 80,691 | 66,402 | 61,058 | -8.0% |
| Percent energy use from renewable sources | | 12.2% | 14.0% | 18.2% | 20.5% | 18.9% | 21.4% | 13.4% |
| Water (kL or cubic metres) | | | | | | | | |
| Potable water from water authorities | | 619,078 | 739,202 | 719,959 | 662,322 | 615,689 | 518,527 | -15.8% |
| Recycled water recovery | | 0 | 4,491 | 1,834 | 2,489 | 1,834 | 2,489 | 35.7% |
| Total water consumption incl. recycled water | | 619,078 | 743,693 | 721,794 | 664,812 | 617,523 | 521,016 | -15.6% |
| Percent water use from recycled sources | | 0.0% | 0.6% | 0.3% | 0.4% | 0.3% | 0.5% | |
| Waste and recycling (tonnes) | | | | | | | | |
| Waste to landfill | | 1,513 | 3,728 | 3,172 | 2,692 | 2,718 | 2,183 | -19.7% |
| Recycled waste | | 1,665 | 2,733 | 2,347 | 1,919 | 1,922 | 1,432 | -25.5% |
| Total waste | | 3,178 | 6,461 | 5,519 | 4,611 | 4,640 | 3,615 | -22.1% |
| Diversion from landfill | | 52.4% | 42.3% | 42.5% | 41.6% | 41.4% | 39.6% | -4.4% |
| Percent waste data coverage (office & retail) | | 69% | 100% | 100% | 98% | 100% | 99% | -0.9% |
| Greenhouse gas emissions (t CO ₂ -e) | | | | | | | | |
| Scope 1 | | 4,335 | 8,136 | 7,358 | 7,437 | 6,019 | 5,903 | -1.9% |
| Scope 2 – location-based | | 78,702 | 56,857 | 54,574 | 52,875 | 44,206 | 40,849 | -7.6% |
| Scope 3 – location-based GHG emissions | | 14,521 | 14,734 | 12,733 | 11,085 | 10,694 | 8,887 | -16.9% |
| Scope 2 – market-based | | 69,245 | 54,789 | 50,927 | 48,775 | 40,894 | 37,354 | -8.7% |
| Scope 3 – market-based GHG emissions | | 12,841 | 14,436 | 12,294 | 10,642 | 10,295 | 8,497 | -17.5% |
| Total Scope 1, 2 & 3 location-based GHG emissions | | 97,558 | 79,726 | 74,665 | 71,398 | 60,919 | 55,638 | -8.7% |
| Total Scope 1, 2 & 3 market-based GHG emissions | | 86,421 | 77,360 | 70,579 | 66,854 | 57,209 | 51,753 | -9.5% |
| Equity-accounted lettable area under landlord control (annual weighted average square metres) | | | | | | | | |
| Office | | 528,437 | 841,008 | 835,004 | 871,858 | 675,829 | 677,210 | 0.2% |
| Retail | | 9,459 | 23,422 | 18,722 | 37,879 | 18,722 | 18,774 | 0.3% |
| Industrial | | 394,517 | 354,821 | 335,822 | 336,615 | 301,711 | 303,316 | 0.5% |
| Healthcare | | 0 | 0 | 0 | 0 | 0 | 0 | |
| Energy and emissions productivity (market-based) | | | | | | | | |
| Revenue (\$m) | | 702 | 1,119 | 1,126 | 1,125 | | | |
| Energy productivity (\$m revenue per GJ consumed) | | 1,798 | 3,493 | 3,761 | 3,871 | 2.15x energy productivity | | |
| Scope 1 & 2 emissions productivity (\$m revenue/t.CO ₂ -e) | | 9,543 | 17,786 | 19,312 | 20,005 | 2.10x emissions productivity | | |
| Scope 1, 2 & 3 emissions productivity (\$m revenue/t.CO ₂ -e) | | 8,125 | 14,467 | 15,948 | 16,820 | 2.07x emissions productivity | | |

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

2. Properties under landlord control for FY19 and FY20 periods.

Dexus portfolio – Consumption/emissions on an intensity basis

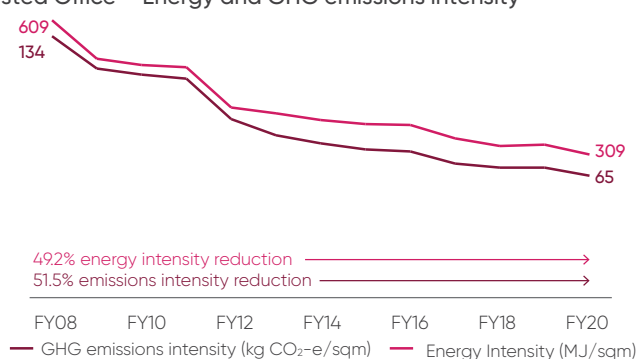
| | Metric | Whole portfolio | | | | Like-for-like ² | | 12 month change |
|-------------------------------|--|------------------------|-------|-------|------|----------------------------|-------|-----------------|
| | | Base year ¹ | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Office portfolio | Energy consumption (MJ/sqm) | 609 | 328 | 331 | 309 | 321 | 294 | -8.2% |
| | Water consumption (L/sqm) | 855 | 666 | 649 | 568 | 664 | 565 | -14.9% |
| | Scope 1 & 2 emissions kgCO ₂ -e/sqm | 134 | 69 | 69 | 65 | 68 | 64 | -6.7% |
| | Waste diversion from landfill | 52% | 44% | 42% | 43% | 41% | 40% | -2.5% |
| Retail portfolio ³ | Energy consumption (MJ/sqm) | 4,905 | 1,496 | 734 | 333 | 734 | 667 | -9.2% |
| | Water consumption (L/sqm) | 8,536 | 2,873 | 1,699 | 758 | 1,699 | 1,399 | -17.7% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 712 | 209 | 126 | 54 | 126 | 107 | -14.8% |
| | Waste diversion from landfill | | 34% | 45% | 37% | 45% | 40% | -12.5% |
| Industrial portfolio | Energy consumption (MJ/sqm) | 56.9 | 27.1 | 27.0 | 24.6 | 28.4 | 26.2 | -7.9% |
| | Water consumption (L/sqm) | 219 | 315 | 437 | 411 | 449 | 362 | -19.3% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 14.3 | 5.3 | 5.6 | 5.1 | 5.8 | 5.4 | -6.6% |

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

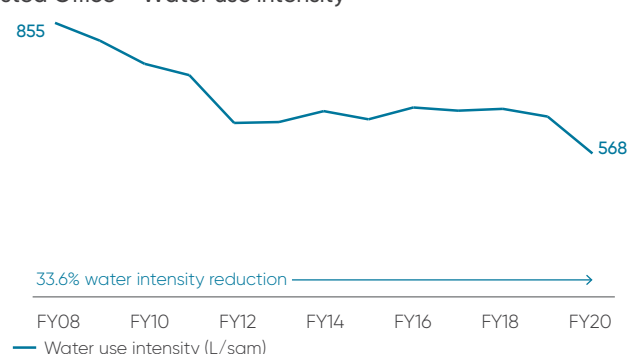
2. Properties under landlord control for FY19 and FY20 periods.

3. The steep decline in retail intensity metrics is generally attributable to a shift in Dexus (DXS) retail portfolio composition away from high-intensity properties such as city retail precincts to low-intensity properties such as bulky goods retailers since FY08.

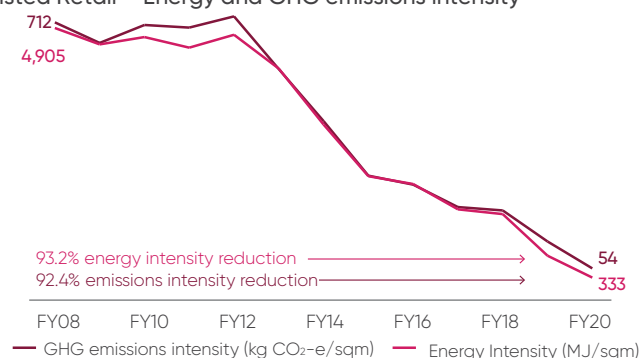
Listed Office – Energy and GHG emissions intensity



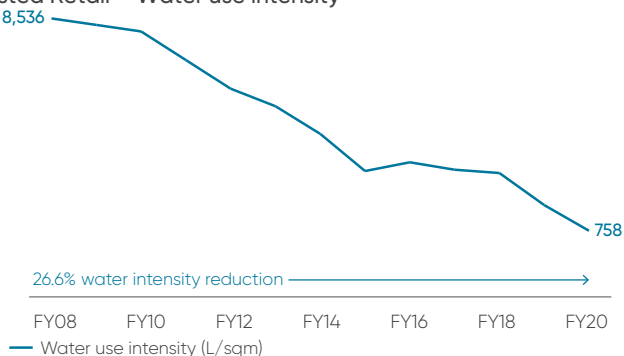
Listed Office – Water use intensity



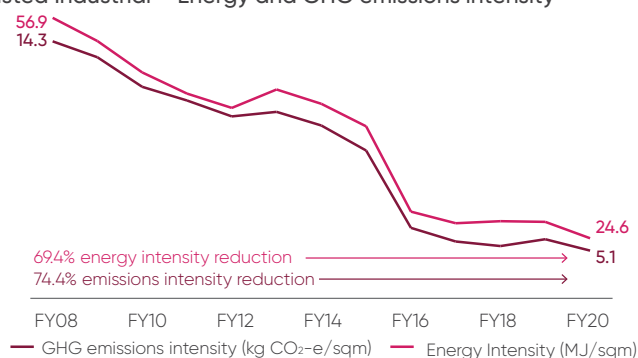
Listed Retail – Energy and GHG emissions intensity



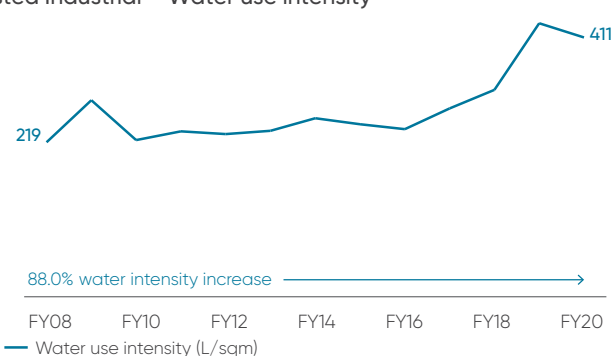
Listed Retail – Water use intensity



Listed Industrial – Energy and GHG emissions intensity



Listed Industrial – Water use intensity



Dexus Wholesale Property Fund portfolio – Environmental metrics

Dexus Wholesale Property Fund – Absolute and like-for-like inventories

| | | Absolute | | | | Like-for-like ² | | 12 month change |
|--|--|------------------------|---------|---------|---------|----------------------------|---------|-----------------|
| Metric | | Base year ¹ | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Energy consumption (MWh) | | | | | | | | |
| Non-renewable energy | Natural gas | 3,379 | 5,472 | 6,937 | 8,049 | 6,257 | 6,185 | -1.1% |
| | Diesel | 0 | 248 | 328 | 279 | 296 | 189 | -36.3% |
| | Electricity – grid-purchases | 19,201 | 44,858 | 44,532 | 42,691 | 38,082 | 34,505 | -9.4% |
| Total non-renewable energy consumption | | 22,580 | 50,577 | 51,797 | 51,019 | 44,635 | 40,878 | -8.4% |
| Renewable energy | Electricity – GreenPower and LGC purchases | 2,685 | 8,077 | 10,110 | 10,980 | 8,452 | 8,904 | 5.4% |
| | Solar energy | 0 | 116 | 116 | 119 | 116 | 119 | 2.4% |
| Total renewable energy consumption | | 2,685 | 8,193 | 10,226 | 11,098 | 8,568 | 9,023 | 5.3% |
| Total energy consumption (MWh) | | 25,265 | 58,770 | 62,023 | 62,117 | 53,202 | 49,901 | -6.2% |
| Percent energy use from renewable sources | | 10.6% | 13.9% | 16.5% | 17.9% | 16.1% | 18.1% | 12.3% |
| Water (kL or cubic metres) | | | | | | | | |
| Potable water from water authorities | | 228,946 | 724,744 | 730,529 | 702,047 | 657,285 | 604,457 | -8.0% |
| Recycled water recovery | | 0 | 1,586 | 1,146 | 1,884 | 1,146 | 1,884 | 64.4% |
| Total water consumption incl. recycled water | | 228,946 | 726,329 | 731,675 | 703,931 | 658,431 | 606,341 | -7.9% |
| Percent water use from recycled sources | | 0.0% | 0.2% | 0.2% | 0.3% | 0.2% | 0.3% | 78.6% |
| Waste and recycling (tonnes) | | | | | | | | |
| Waste to landfill | | 3,808 | 6,271 | 6,106 | 5,663 | 5,443 | 4,954 | -9.0% |
| Recycled waste | | 2,273 | 4,498 | 4,792 | 4,643 | 4,502 | 4,252 | -5.6% |
| Total waste | | 6,082 | 10,769 | 10,898 | 10,306 | 9,945 | 9,206 | -7.4% |
| Diversion from landfill | | 37.4% | 41.8% | 44.0% | 45.1% | 45.3% | 46.2% | 2.0% |
| Percent waste data coverage (office & retail) | | 88% | 98% | 100% | 100% | 100% | 100% | |
| Greenhouse gas emissions (t CO ₂ -e) | | | | | | | | |
| Scope 1 | | 624 | 2,936 | 3,589 | 3,877 | 3,110 | 3,130 | 0.6% |
| Scope 2 – location-based | | 21,989 | 43,486 | 44,874 | 43,564 | 38,309 | 35,103 | -8.4% |
| Scope 3 – location-based GHG emissions | | 3,496 | 16,320 | 15,787 | 14,532 | 13,852 | 12,346 | -10.9% |
| Scope 2 – market-based | | 19,780 | 43,273 | 44,024 | 42,508 | 37,710 | 34,178 | -9.4% |
| Scope 3 – market-based GHG emissions | | 3,185 | 16,292 | 15,693 | 14,413 | 13,788 | 12,242 | -11.2% |
| Total Scope 1, 2 & 3 location-based GHG emissions | | 26,110 | 62,742 | 64,250 | 61,973 | 55,270 | 50,579 | -8.5% |
| Total Scope 1, 2 & 3 market-based GHG emissions | | 23,590 | 62,501 | 63,306 | 60,799 | 54,608 | 49,549 | -9.3% |
| Equity-accounted lettable area under operational control (annual weighted average square metres) | | | | | | | | |
| Office | | 117,423 | 267,957 | 284,859 | 330,012 | 259,792 | 261,770 | 0.8% |
| Retail | | 62,978 | 383,510 | 372,471 | 376,335 | 322,788 | 325,551 | 0.9% |
| Industrial | | 85,343 | 279,721 | 280,105 | 286,635 | 280,105 | 286,635 | 2.3% |

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

2. Properties under landlord control for FY19 and FY20 periods.

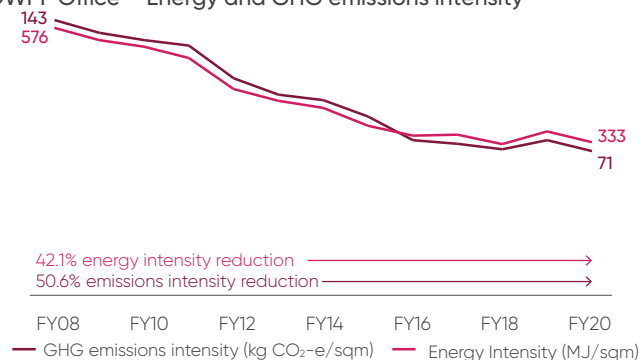
Dexus Wholesale Property Fund – Consumption/emissions on an intensity basis

| | Metric | Whole portfolio | | | | Like-for-like ² | | 12 month change |
|----------------------|--|------------------------|-------|-------|-------|----------------------------|-------|-----------------|
| | | Base year ¹ | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Office portfolio | Energy consumption (MJ/sqm) | 576 | 329 | 356 | 333 | 341 | 314 | -8.0% |
| | Water consumption (L/sqm) | 1,176 | 858 | 875 | 751 | 863 | 765 | -11.3% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 143 | 72 | 77 | 71 | 75 | 69 | -7.8% |
| | Waste diversion from landfill | 42% | 42% | 42% | 46% | 42% | 43% | 2.3% |
| Retail portfolio | Energy consumption (MJ/sqm) | 365 | 315 | 318 | 293 | 308 | 289 | -6.2% |
| | Water consumption (L/sqm) | 1,085 | 1,151 | 1,139 | 1,071 | 1,164 | 1,084 | -6.9% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 91 | 69 | 69 | 62 | 66 | 59 | -9.2% |
| | Waste diversion from landfill | 37% | 42% | 44% | 45% | 46% | 47% | 1.8% |
| Industrial portfolio | Energy consumption (MJ/sqm) | 3.6 | 9.8 | 12.7 | 12.1 | 12.7 | 12.1 | -5.0% |
| | Water consumption (L/sqm) | 264 | 191 | 204 | 179 | 204 | 179 | -12.6% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 0.9 | 2.2 | 2.8 | 2.7 | 2.8 | 2.7 | -4.2% |

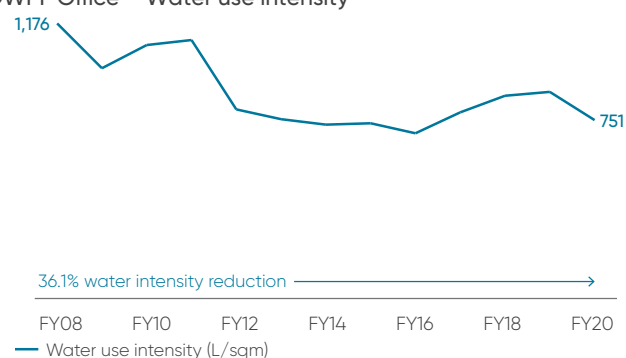
1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

2. Properties under landlord control for FY19 and FY20 periods.

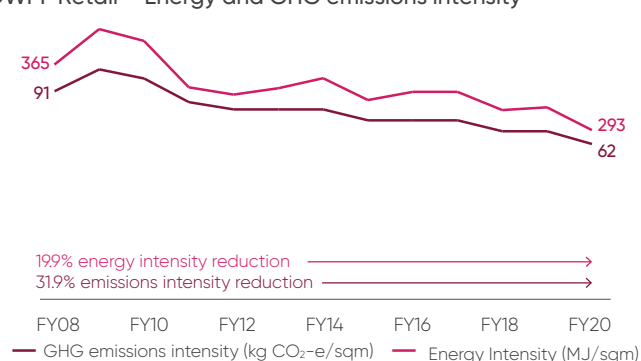
DWP Office – Energy and GHG emissions intensity



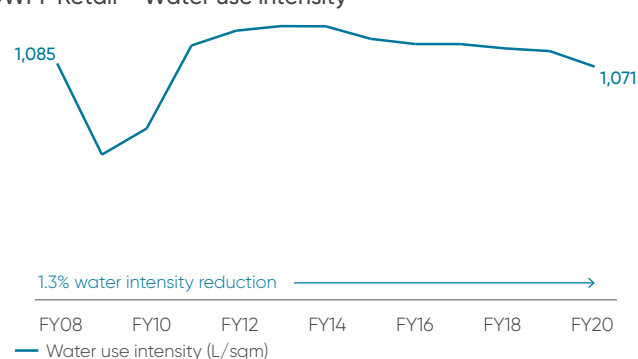
DWP Office – Water use intensity



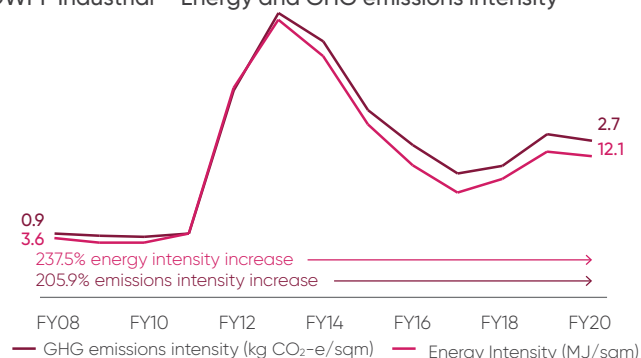
DWP Retail – Energy and GHG emissions intensity



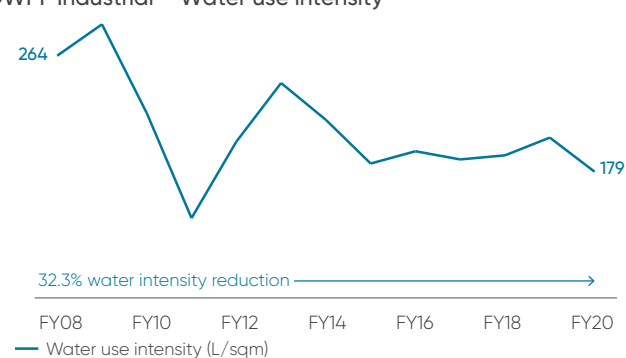
DWP Retail – Water use intensity



DWP Industrial – Energy and GHG emissions intensity



DWP Industrial – Water use intensity



Dexus Office Trust portfolio – Environmental metrics

Dexus Office Trust – Absolute and like-for-like inventories

| | | Absolute | | | | Like-for-like ² | | 12 month change |
|--|--|------------------------|---------|---------|---------|----------------------------|---------|-----------------|
| Metric | | Base year ¹ | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Energy consumption (MWh) | | | | | | | | |
| Non-renewable energy | Natural gas | 16,506 | 16,918 | 13,521 | 13,942 | 10,983 | 8,851 | -19.4% |
| | Diesel | 182 | 549 | 664 | 417 | 471 | 263 | -44.2% |
| | Electricity – grid-purchases | 42,159 | 42,266 | 38,901 | 38,218 | 31,133 | 27,826 | -10.6% |
| Total non-renewable energy consumption | | 58,847 | 59,733 | 53,086 | 52,577 | 42,587 | 36,940 | -13.3% |
| Renewable energy | Electricity – GreenPower and LGC purchases | 10,283 | 9,300 | 11,865 | 12,949 | 9,828 | 9,716 | -1.1% |
| | Solar energy | 0 | 151 | 182 | 398 | 117 | 352 | 201.2% |
| Total renewable energy consumption | | 10,283 | 9,451 | 12,047 | 13,346 | 9,945 | 10,068 | 1.2% |
| Total energy consumption (MWh) | | 69,130 | 69,184 | 65,133 | 65,923 | 52,532 | 47,009 | -10.5% |
| Percent energy use from renewable sources | | 14.9% | 13.7% | 18.5% | 20.2% | 18.9% | 21.4% | 13.1% |
| Water (kL or cubic metres) | | | | | | | | |
| Potable water from water authorities | | 387,939 | 524,440 | 478,937 | 447,077 | 400,857 | 336,680 | -16.0% |
| Recycled water recovery | | 0 | 4,491 | 1,834 | 2,489 | 1,834 | 2,489 | 35.7% |
| Total water consumption incl. recycled water | | 387,939 | 528,931 | 480,771 | 449,567 | 402,691 | 339,169 | -15.8% |
| Percent water use from recycled sources | | 0.0% | 0.8% | 0.4% | 0.6% | 0.5% | 0.7% | 61.1% |
| Waste and recycling (tonnes) | | | | | | | | |
| Waste to landfill | | 965 | 3,212 | 2,736 | 2,344 | 2,392 | 1,905 | -20.4% |
| Recycled waste | | 1,166 | 2,344 | 2,077 | 1,754 | 1,711 | 1,280 | -25.2% |
| Total waste | | 2,131 | 5,556 | 4,814 | 4,099 | 4,103 | 3,185 | -22.4% |
| Diversion from landfill | | 54.7% | 42.2% | 43.2% | 42.8% | 41.7% | 40.2% | -3.6% |
| Percent waste data coverage (office & retail) | | 58% | 100% | 100% | 98% | 100% | 99% | -1.1% |
| Greenhouse gas emissions (t CO ₂ -e) | | | | | | | | |
| Scope 1 | | 3,096 | 6,836 | 6,188 | 6,378 | 5,209 | 4,844 | -7.0% |
| Scope 2 – location-based | | 48,686 | 43,552 | 42,122 | 42,273 | 34,258 | 30,953 | -9.6% |
| Scope 3 – location-based GHG emissions | | 8,589 | 11,782 | 10,165 | 9,071 | 8,653 | 7,056 | -18.5% |
| Scope 2 – market-based | | 41,164 | 42,087 | 39,025 | 38,973 | 31,496 | 28,259 | -10.3% |
| Scope 3 – market-based GHG emissions | | 7,252 | 11,571 | 9,793 | 8,715 | 8,322 | 6,754 | -18.8% |
| Total Scope 1, 2 & 3 location-based GHG emissions | | 60,371 | 62,170 | 58,745 | 57,722 | 48,121 | 42,853 | -10.9% |
| Total Scope 1, 2 & 3 market-based GHG emissions | | 51,512 | 60,494 | 55,006 | 54,067 | 45,027 | 39,856 | -11.5% |
| Equity-accounted lettable area under operational control (annual weighted average square metres) | | | | | | | | |
| Office | | 345,258 | 665,070 | 667,748 | 731,590 | 545,134 | 546,315 | 0.2% |
| Retail | | 9,459 | 23,422 | 18,722 | 19,172 | 18,722 | 18,774 | 0.3% |

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

2. Properties under landlord control for FY19 and FY20 periods.

Dexus Office Trust – Consumption/emissions on an intensity basis

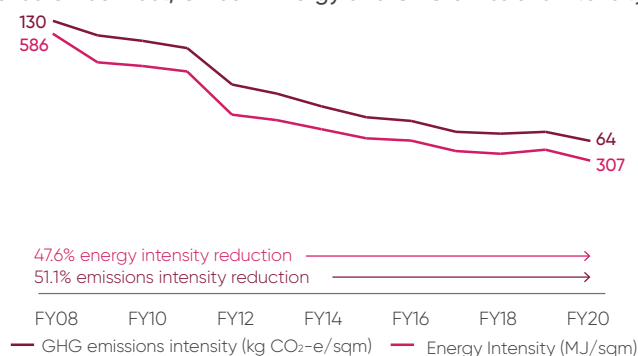
| | Metric | Whole portfolio | | | | Like-for-like ² | | 12 month change |
|------------------|--|------------------------|-------|-------|--------------|----------------------------|--------------|-----------------|
| | | Base year ¹ | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Office portfolio | Energy consumption (MJ/sqm) | 586 | 322 | 331 | 307 | 322 | 287 | -10.8% |
| | Water consumption (L/sqm) | 890 | 687 | 670 | 575 | 677 | 568 | -16.1% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 130 | 68 | 69 | 64 | 68 | 62 | -9.2% |
| | Waste diversion from landfill | 55% | 45% | 43% | 43% | 41% | 40% | -1.3% |
| Retail portfolio | Energy consumption (MJ/sqm) | 4,905 | 1,496 | 734 | 653 | 734 | 667 | -9.2% |
| | Water consumption (L/sqm) | 8,536 | 2,873 | 1,699 | 1,370 | 1,699 | 1,399 | -17.7% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 712 | 209 | 126 | 105 | 126 | 107 | -14.8% |
| | Waste diversion from landfill | | 34% | 45% | 40% | 45% | 40% | -12.5% |

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

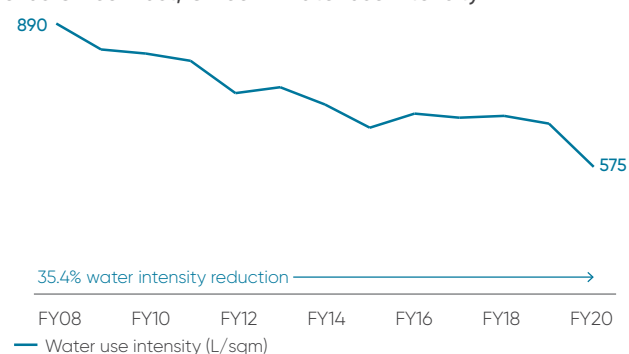
2. Properties under landlord control for FY19 and FY20 periods.

3. The steep decline in retail intensity metrics is generally attributable to a shift in Dexus (DXS) retail portfolio composition away from high-intensity properties such as city retail precincts since FY08.

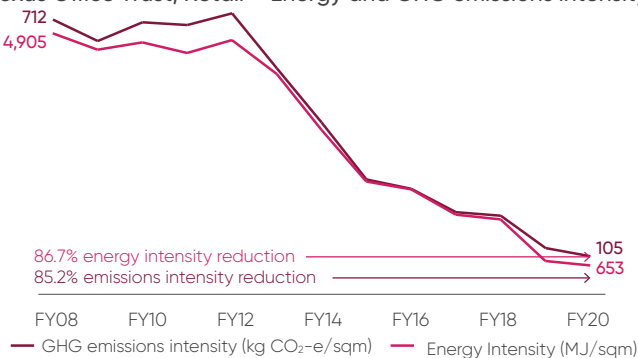
Dexus Office Trust, Office – Energy and GHG emissions intensity



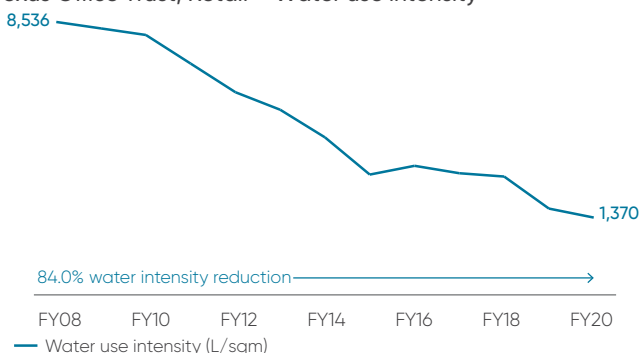
Dexus Office Trust, Office – Water use intensity



Dexus Office Trust, Retail – Energy and GHG emissions intensity



Dexus Office Trust, Retail – Water use intensity



Healthcare Wholesale Property Fund portfolio – Environmental metrics

Healthcare Wholesale Property Fund – Absolute and like-for-like inventories

| Metric | | Absolute | | | | Like-for-like ² | | 12 month change |
|--|--|----------|-------|-------|--------|----------------------------|-------|-----------------|
| | | FY17 | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Energy consumption (MWh) | | | | | | | | |
| Non-renewable energy | Natural gas | 499 | 759 | 669 | 6,444 | 669 | 632 | -5.4% |
| | Diesel | 0 | 0 | 0 | 0 | 0 | 0 | – |
| | Electricity – grid-purchases | 190 | 387 | 360 | 6,360 | 360 | 337 | -6.4% |
| Total non-renewable energy consumption | | 689 | 1,145 | 1,028 | 12,804 | 1,028 | 969 | -5.8% |
| Renewable energy | Electricity – GreenPower and LGC purchases | 30 | 69 | 75 | 1,488 | 75 | 79 | 4.4% |
| | Solar energy | 0 | 0 | 0 | 0 | 0 | 0 | – |
| Total renewable energy consumption | | 30 | 69 | 75 | 1,488 | 75 | 79 | 4.4% |
| Total energy consumption (MWh) | | 718 | 1,214 | 1,104 | 14,291 | 1,104 | 1,048 | -5.1% |
| Percent energy use from renewable sources | | 4.1% | 5.7% | 6.8% | 10.4% | 6.8% | 7.5% | 10.0% |
| Water (kL or cubic metres) | | | | | | | | |
| Potable water from water authorities | | 3,591 | 7,666 | 6,974 | 26,755 | 6,974 | 4,001 | -42.6% |
| Recycled water recovery | | 0 | 0 | 0 | 0 | 0 | 0 | – |
| Total water consumption incl. recycled water | | 3,591 | 7,666 | 6,974 | 26,755 | 6,974 | 4,001 | -42.6% |
| Percent water use from recycled sources | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | – |
| Greenhouse gas emissions (t CO ₂ -e) | | | | | | | | |
| Scope 1 | | 93 | 141 | 124 | 1,195 | 124 | 117 | -5.4% |
| Scope 2 – location-based | | 116 | 223 | 222 | 3,453 | 222 | 183 | -17.6% |
| Scope 3 – location-based GHG emissions | | 47 | 73 | 78 | 1,064 | 78 | 71 | -9.6% |
| Scope 2 – market-based | | 116 | 223 | 222 | 3,453 | 222 | 183 | -17.6% |
| Scope 3 – market-based GHG emissions | | 47 | 73 | 78 | 1,064 | 78 | 71 | -9.6% |
| Total Scope 1, 2 & 3 location-based GHG emissions | | 255 | 437 | 424 | 5,712 | 424 | 371 | -12.6% |
| Total Scope 1, 2 & 3 market-based GHG emissions | | 255 | 437 | 424 | 5,712 | 424 | 371 | -12.6% |
| Equity-accounted lettable area under operational control (annual weighted average square metres) | | | | | | | | |
| Healthcare | | 2,305 | 4,609 | 4,609 | 44,066 | 4,609 | 4,609 | 0.0% |

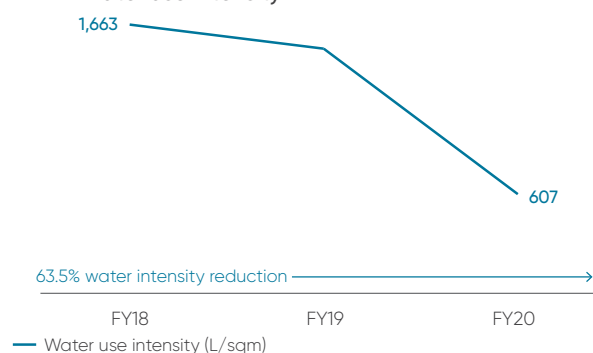
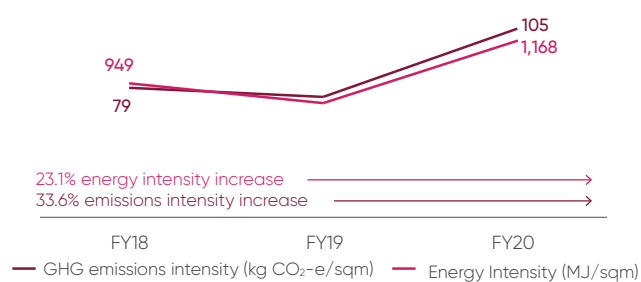
Healthcare Wholesale Property Fund – Consumption/emissions on an intensity basis

| Metric | Whole portfolio | | | | Like-for-like ¹ | | 12 month change |
|--|-----------------|-------|-------|-------|----------------------------|------|-----------------|
| | FY17 | FY18 | FY19 | FY20 | FY19 | FY20 | |
| Energy consumption (MJ/sqm) | 1,122 | 949 | 862 | 1,168 | 862 | 818 | -5.1% |
| Water consumption (L/sqm) | 1,558 | 1,663 | 1,513 | 607 | 1,513 | 868 | -42.6% |
| Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 91 | 79 | 75 | 105 | 75 | 65 | -13.3% |

1. Properties owned by the fund for the entire FY19 and FY20 reporting periods.

HWPF – Energy and GHG emissions intensity

HWPF – Water use intensity



Environmental inventories for year-end March 2020

The onset of the COVID-19 pandemic in Australia in March 2020 disrupted the national economy and caused abrupt changes to portfolio occupancy levels and resource usage. The long-term effects of the pandemic on economic activity remain uncertain. To facilitate an appraisal of annual performance that excludes the abnormalities caused by the pandemic, we provide resource consumption and emissions intensity figures for the 12-month period ending March 2020 (YEM20) below. The tables also include figures for the 12-month period ending March 2019 (YEM19) for comparison.

Group managed portfolio – Consumption/emissions on an intensity basis

| | | Like-for-like ¹ | | |
|----------------------|--|----------------------------|-------|--------|
| | Metric | YEM19 | YEM20 | Change |
| Office portfolio | Energy consumption (MJ/sqm) | 329 | 310 | -5.7% |
| | Water consumption (L/sqm) | 709 | 688 | -2.9% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 71 | 68 | -3.8% |
| | Waste diversion from landfill | 41% | 40% | -3.9% |
| Retail portfolio | Energy consumption (MJ/sqm) | 408 | 376 | -7.6% |
| | Water consumption (L/sqm) | 1,113 | 1,001 | -10.1% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 78 | 71 | -9.0% |
| | Waste diversion from landfill | 39% | 37% | -5.9% |
| Industrial portfolio | Energy consumption (MJ/sqm) | 16.5 | 17.4 | 5.9% |
| | Water consumption (L/sqm) | 256 | 265 | 3.7% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 3.4 | 3.6 | 7.2% |

1. Properties under landlord control for FY19 and FY20 periods.

Dexus (DXS) portfolio – Consumption/emissions on an intensity basis

| | | Like-for-like ¹ | | |
|----------------------|--|----------------------------|-------|--------|
| | Metric | YEM19 | YEM20 | Change |
| Office portfolio | Energy consumption (MJ/sqm) | 324 | 306 | -5.7% |
| | Water consumption (L/sqm) | 683 | 662 | -3.2% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 69 | 67 | -3.4% |
| | Waste diversion from landfill | 40% | 39% | -3.0% |
| Retail portfolio | Energy consumption (MJ/sqm) | 761 | 686 | -9.8% |
| | Water consumption (L/sqm) | 1,747 | 1,628 | -6.8% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 129 | 114 | -11.6% |
| | Waste diversion from landfill | 46% | 40% | -13.2% |
| Industrial portfolio | Energy consumption (MJ/sqm) | 26.8 | 27.1 | 1.2% |
| | Water consumption (L/sqm) | 372 | 400 | 7.4% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 5.3 | 5.6 | 5.8% |

1. Properties under landlord control for FY19 and FY20 periods.

Dexus Wholesale Property Fund portfolio – Consumption/emissions on an intensity basis

| | | Like-for-like ¹ | | |
|----------------------|--|----------------------------|-------|--------|
| | Metric | YEM19 | YEM20 | Change |
| Office portfolio | Energy consumption (MJ/sqm) | 339 | 328 | -3.3% |
| | Water consumption (L/sqm) | 868 | 875 | 0.8% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 74 | 73 | -1.5% |
| | Waste diversion from landfill | 41% | 43% | 4.0% |
| Retail portfolio | Energy consumption (MJ/sqm) | 312 | 294 | -5.6% |
| | Water consumption (L/sqm) | 1,176 | 1,098 | -6.6% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 67 | 61 | -9.1% |
| | Waste diversion from landfill | 46% | 46% | -0.2% |
| Industrial portfolio | Energy consumption (MJ/sqm) | 12.4 | 12.9 | 3.6% |
| | Water consumption (L/sqm) | 205 | 188 | -8.2% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 2.7 | 2.8 | 3.5% |

1. Properties under landlord control for FY19 and FY20 periods.

Dexus Office Trust portfolio – Consumption/emissions on an intensity basis

| | | Like-for-like ¹ | | |
|------------------|--|----------------------------|-------|--------|
| | Metric | YEM19 | YEM20 | Change |
| Office portfolio | Energy consumption (MJ/sqm) | 325 | 300 | -7.7% |
| | Water consumption (L/sqm) | 702 | 669 | -4.8% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 69 | 65 | -5.4% |
| | Waste diversion from landfill | 40% | 40% | -2.0% |
| Retail portfolio | Energy consumption (MJ/sqm) | 761 | 686 | -9.8% |
| | Water consumption (L/sqm) | 1,747 | 1,628 | -6.8% |
| | Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | 129 | 114 | -11.6% |
| | Waste diversion from landfill | 46% | 40% | -13.2% |

1. Properties under landlord control for FY19 and FY20 periods.

Healthcare Wholesale Property Fund portfolio – Consumption/emissions on an intensity basis

| | | Like-for-like ¹ | | |
|--|--|----------------------------|-------|--------|
| Metric | | YEM19 | YEM20 | Change |
| Energy consumption (MJ/sqm) | | 880 | 831 | -5.6% |
| Water consumption (L/sqm) | | 1,729 | 920 | -46.8% |
| Scope 1 & 2 emissions (kgCO ₂ -e/sqm) | | 76 | 68 | -10.7% |

1. Properties owned by the fund for the entire FY19 and FY20 reporting periods.

Sustainability Approach and Procedures



Waterfront Brisbane
(artist's impression)

The Sustainability Approach and Procedures explains how Dexus manages the economic, environmental and social impacts related to its business. It aligns with the Global Reporting Initiative GRI Standards, which prescribes organisations to disclose details of their approaches to managing material sustainability issues they have identified.

The Sustainability Approach and Procedures is a component of the 2020 Annual Reporting Suite. It should be read in conjunction with the Sustainability Performance Pack and Sustainability Data Appendix, the 2020 Annual Report and the 2020 Corporate Governance Statement.

Contents

This document explains the policies, procedures and practices used by Dexus to meet the objectives of the Dexus Sustainability Approach:

| | | | | |
|--|---|--|---|---|
| <p><u>Sustained Value</u></p> <p>→ p.100</p> <p>Delivering superior long-term performance for our investors and third party capital partners, underpinned by integrating environmental, social and governance issues into our business model</p> | <p><u>Leading Cities</u></p> <p>→ p.108</p> <p>Maintaining and developing a high-quality property portfolio that contributes to economic prosperity and sustainable urban development across Australia's key cities</p> | <p><u>Thriving People</u></p> <p>→ p.116</p> <p>An engaged, capable and high-performing workforce that delivers on our strategy and supports the creation of sustained value</p> | <p><u>Future Enabled Customers and Strong Communities</u></p> <p>→ p.123</p> <p>Building a strong network of customers, communities and suppliers, who support Dexus and are positively impacted by Dexus</p> | <p><u>Enriched Environment</u></p> <p>→ p.137</p> <p>An efficient and resilient portfolio that minimises our environmental footprint and is positioned to thrive in a climate-affected future</p> |
|--|---|--|---|---|

Enhancing impact reporting

Reporting is crucial for providing decision-useful information to Dexus stakeholders, and for enhancing our strategy and approach over time through benchmarking our performance. To address these objectives, our approach to reporting includes the following aspects:

- Regular materiality assessments that inform both strategy and reporting (page 6)
- Alignment of sustainability reporting content with the GRI Standards
- Publication of an integrated Annual Report since 2019, aligned with the International Integrated Reporting Council <IR> Framework

The Dexus Sustainability Approach directs the business to create sustained value through delivering a positive impact (and reducing any negative impacts) for its stakeholders and the environment, as expressed through its objectives. This year, we commenced the process of impact mapping to better articulate how our activities deliver positive impact for our stakeholders and for Dexus, and to inform how we will evaluate the effectiveness of our activities over time. Impact maps have been developed for employee activities (page 122) and customer activities (page 128), and we will extend the process to other stakeholders in the future.

| Activities | Outputs | Employee outcomes | Employee benefit | Dexus benefit |
|--|--|---|--|---|
| Activities conducted by and/or funded by Dexus | The direct immediate results of the activities | Short to medium term impact on stakeholders | Sustained, enduring benefit experienced stakeholders | Benefit to Dexus resulting from stakeholder benefit |
| Annual program of customer events | 100 customer events held across the portfolio, attended by 1000 property occupants | Property occupants expressed stronger connections with colleagues, greater affinity for the workplace | Increased customer satisfaction, engagement and productivity | Increased customer likelihood to renew |

Sustained Value

Creating sustained value through effective management of environmental, social and governance issues.

Dexus's Sustainability Approach is the lens that we use to identify, prioritise and address the environmental, social and governance (ESG) issues that matter most to our stakeholders. The key objectives of our sustainability approach (Leading Cities, Thriving People, Future Enabled Customers and Strong Communities, and Enriched Environment) guide how we manage the ESG risks and opportunities that influence how we create long-term value. The disclosures across each key objective area support the objective of Sustained Value, while the Sustained Value section of the Dexus Sustainability Approach and Procedures focuses on corporate governance and risk management.

Dexus aspires to the highest standards of corporate governance and has embedded policies and procedures to enhance corporate performance and protect the interests of key stakeholders.

Good governance is about doing the right thing, complying with laws, managing risk, upholding human rights and building honest relationships. We are committed to an open and transparent workplace that is free from corruption, anti-competitive behaviour, bribery and discrimination.

Our governance approach aims to:

- Maintain the health and safety of our employees, customers and visitors
- Maintain a working environment free of harassment, bullying and discrimination
- Uphold labour standards and respect human rights
- Continually comply with relevant laws, regulations and industry best practice
- Create a workplace culture of diversity and work-life balance
- Manage environmental, financial and social risk



1.1 Corporate governance framework

Our corporate governance approach supports the group's strategic objectives. The group's governance structure ensures accountability and a balance of authority by clearly defining the roles and responsibilities of the Board and executive management. This enables the Board to provide strategic guidance while exercising effective oversight. Dexus's corporate governance is summarised below.

| Corporate governance framework | | |
|--|---|---|
| Dexus Board (Board) | | |
| Responsible for ensuring effective corporate governance and risk management, and for ensuring that Dexus meets its fiduciary and statutory obligations to its investors | | |
| Board Committees | | |
| Audit Committee Nominations Committee People & Remuneration Committee Risk Committee Environmental, Social & Governance Committee | | |
| Group Management Committee | | |
| Responsible for ensuring statutory, legal and regulatory compliance, including ongoing compliance with Dexus policies and procedures | | |
| Group Risk Committee | Group ESG Committee | |
| Oversight of Dexus's risk management, compliance management and internal audit programs | Oversight of the implementation and management of sustainability/ESG practices and initiatives throughout Dexus | |
| Risk team Responsibilities include: <ul style="list-style-type: none"> Assessing strategic and operational risks Providing advice on risk mitigation plans Drafting and delivering risk policies and procedures Implementing the Work Health Safety (WHS) management system and overseeing audits of compliance with the system Providing training on relevant risk matters | Compliance team Responsibilities include: <ul style="list-style-type: none"> Providing training on relevant compliance matters Conducting monitoring and preventative review procedures to avert or detect incidents of non-compliance Reviewing and analysing compliance issues and exceptions including remediation plans Reporting to management (including GMC, Board Risk Committee and the Group Risk Committee) on compliance incidents and initiatives within Dexus Liaising with regulators | Governance team Responsibilities include: <ul style="list-style-type: none"> Company secretarial functions across the group Establishment and implementation of key governance policies Internal Audit function Investigating whistleblower matters and significant customer complaints Supporting Dexus group boards and committees to ensure provision of adequate information to execute their responsibilities |
| Management frameworks | | |
| Risk Management Framework <ul style="list-style-type: none"> Industry engagement Risk analysis Workplace health and safety Audit and assurance Investment due diligence Business continuity planning, crisis management and disaster recovery testing Embargoed contractors | Compliance Management Framework <ul style="list-style-type: none"> Conflicts of interest Continuous disclosure reporting Compliance monitoring Anti-money laundering policies Fraud, corruption and bribery (prevention and awareness) policy Information technology and cyber security Investor complaints | Governance Framework <ul style="list-style-type: none"> Accept and investigate whistleblower disclosures Customer complaints Board governance Internal audit |
| Reporting and transparency | | |
| Management reporting ASX disclosure Performance disclosure Regulatory reporting Sustainability reporting | | |

Board and management committees

Dexus Funds Management Limited (DXFM) is the Responsible Entity of each of the four trusts that comprise Dexus. DXFM, along with other responsible entities in the group, is also responsible for management of third party funds on behalf of the group's third party capital partners.

The Board implements a corporate governance framework that applies to all DXFM schemes, the Dexus Wholesale Property Fund (DWPF), the Healthcare Wholesale Property Fund (HWPF) and capital partner investments.

To assist stakeholders in accessing key documents outlining our approach to corporate governance, we maintain a Corporate Governance section on our website www.dexus.com/corporategovernance. We publish a Corporate Governance Statement that presents our governance framework against the ASX Corporate Governance Principles & Recommendations – Third Edition (ASX Principles) and discloses how we continue to meet each of the ASX Principles during the financial year.

While the framework adopted by Dexus meets the requirements of the ASX Principles, it also addresses additional aspects of governance which the Board considers important.

The table below describes Board and management committees with a focus on governance, risk management and monitoring.

| Committee | Governance role |
|--|---|
| Dexus Board (Board) | The Board sets the tone, culture and objectives of risk and compliance management at Dexus. It sets the corporate standard, establishes effective governance, oversees business performance and provides ultimate accountability for the group. The Board implements a corporate governance framework that applies to the investments of Dexus and its funds and third party capital partners. |
| Board People & Remuneration Committee | Oversees all aspects of Director, Group Management Committee and Key Management Personnel remuneration and aspects of human resource management. |
| Board Audit Committee | Reviews the integrity and quality of the group's financial statements and disclosures including auditing, accounting and financial reporting processes. |
| Board Risk Committee | Oversees group risk management, WHS, risk and compliance. The Board Risk Committee reports directly to the Board. |
| Board ESG Committee | Oversees the implementation and management of sustainability/ESG practices and initiatives throughout Dexus. The Board ESG Committee reports to the Board. |
| Group Management Committee (GMC) | Oversees business operations including its management of compliance, risk, governance and sustainability. The GMC comprises the executive team and reports to the Dexus Board. |
| Group ESG Committee | Oversees the development and implementation of ESG policies and practices that support Dexus's business strategy. The Committee is chaired by the Executive General Manager, Investor Relations, Communications and Sustainability. The Committee oversees the activities of the Modern Slavery Working Group, Climate Resilience Working Group, Energy Procurement Working Group and Social Impact Working Group. |
| Property Executive Committee (PEC) | <p>Chaired by the Chief Executive Officer (CEO), PEC members include the Chief Investment Officer (CIO), Chief Financial Officer (CFO) and Executive General Managers overseeing operational and strategic objectives relating to:</p> <ul style="list-style-type: none"> – Property performance – Development and trading – Customer and innovation <p>PEC oversees property sustainability initiatives and reports to the GMC.</p> |
| Group Risk Committee | Oversees compliance, internal audit and risk initiatives and reports to the Board Risk Committee and Board Audit Committee. It provides assurance that major business risks have been identified and assessed, and effective plans are in place to mitigate the risks. |
| Investment Committee | Reviews and endorses all major investment proposals (including acquisitions, divestments, developments and major capital works) concerning Dexus and each of our third party capital partners. |

1.2 Operational practices

We have developed a Compliance Management Framework and a Risk Management Framework outlining how we identify and address compliance and risk management.

These frameworks support the development and implementation of compliance, risk management and corporate governance procedures across the business. The programs assign the responsibilities of Dexus employees to identify and minimise risk.

The management frameworks support customers, third party capital partners, people development, supplier partnerships and engagement within communities. The frameworks are reviewed on an annual basis to ensure they remain current and adequately address the risks inherent in managing the business.

Compliance Management Framework

Compliance is a vital component of our corporate governance approach and assists in:

- Building trust with investors, third party capital partners and clients
- Protecting our brand and reputation
- Promoting our values
- Demonstrating to stakeholders a commitment to doing the right thing
- Complying with laws, regulations and industry standards

Dexus's Compliance Management satisfies the requirements of the International Standard for Compliance Management Systems – ISO 19600.

Activities conducted within the framework comply with the relevant legislation and regulations including but not limited to the Corporations Act, Privacy Act, Competition & Consumer Act, Tax & Stamp Duty legislation, Retail Leases Act, Real Estate Licensing Acts, Environmental Acts and Regulations, and Anti-Money Laundering & Counter Terrorism Financing Act.

We promote a culture of compliance through a framework in which all employees contribute and participate. The Compliance team oversees the compliance management framework while the entire business is responsible for ensuring that their business procedures adhere to Dexus's policies.

The framework:

- Acknowledges our commitment to compliance, good governance, ethical behaviour and continuous improvement
- Focuses on protecting the interests of investors, third party capital partners and employees
- Ensures that our financial services and products are provided honestly, fairly and efficiently
- Seeks to prevent, identify and quickly respond to breaches of applicable laws, industry codes and standards and business rules

Record keeping

We have a Records Management Compliance Policy which sets our records management guidelines for Dexus. Records must be created and maintained to satisfy business and regulatory requirements as well as industry operating standards. The policy covers all types of records including paper and electronic media.

Delegations of authority

We have operating limits in place that set out the authorities of employees to contract on behalf of a Dexus entity or a fund that Dexus manages.

Activities within the Compliance Management Framework include:

| Activity | Description |
|--|---|
| Legislative and regulatory change | Identifying and assessing changes in compliance requirements due to laws or regulations, contractual requirements, security market requirements, fiduciary requirements and best practice |
| Employee training | Identifying appropriate compliance training, delivering and facilitating compliance training sessions |
| Compliance monitoring and reporting | Monitoring processes and procedures to ensure that business units are operating in accordance with legal and internal requirements |
| Handling exceptions and incidents of non-compliance | Identifying, managing, reporting and overseeing the resolution of compliance incidents |
| Handling investor complaints | Overseeing the effectiveness of processes and procedures across business units to manage investor complaint resolution in a timely manner |
| Communication | Collecting, analysing and reporting compliance information throughout Dexus |
| Continuous improvement | Regularly reviewing and updating policies to ensure continued relevance. Compliance matters are reviewed by the Board Risk Committee, the Group Risk Committee and the GMC |

Conflicts of interest

We have two internal compliance policies for personal and business conflicts of interest. They inform employees as to what constitutes a conflict of interest and describe the process for identifying and managing conflicts. Conflicts may arise in a variety of situations including:

- Related party dealings
- Allocating property transactions amongst clients or third party capital partners
- Tenant (customer) conflicts
- Transfer of assets between schemes or clients
- Personal conflicts

All real or potential conflicts are reported to Dexus's Compliance team so that necessary controls are put in place to effectively manage the conflict. These controls may include:

- Ensuring a transaction is conducted at arm's length
- Removal of conflicted employees or teams from a transaction or decision
- Establishing information barriers so that employees and teams operate solely in the interests of the respective funds or third party capital partners
- Avoiding a transaction

We maintain a Conflict of Interest Register which provides a central record of all material conflicts to ensure that they are effectively identified and managed. Conflicts of interest are reported to the Board Risk Committee quarterly.

Anti-bribery and corruption

We are committed to achieving the highest corporate standards and working against corruption in all its forms, including extortion and bribery.

The Fraud, Corruption and Bribery (Prevention and Awareness) Policy outlines expectations for employee conduct relating to lobbying, meetings with law makers and receiving gifts and benefits. Dexus does not make political donations or provide gifts to politicians or public servants. As per the Dexus Political Donations Policy, Dexus employees and Directors are prohibited from using Dexus funds for political contributions. Where we engage with government we do so in an ethical and transparent manner. The Stakeholder Engagement section (page 113) provides additional detail on our approach to engaging with government.

Transparency and continuous disclosure

We take an industry-leading approach to transparency and disclosure of responsible investment practices. This is supported by the Property Council of Australia's Voluntary Best Practice Guidelines for Disclosing Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO). These measures enable a transparent comparison of financial performance between Dexus and its listed property peers.

We are committed to providing investors, the broader market and other stakeholders with accurate and timely information about material activities. We comply with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules. A Continuous Disclosure Committee oversees compliance with the Continuous Disclosure Policy.

We respond annually to several investor surveys and benchmarks, publish research papers, and formally disclose group performance each year in accordance with best practice frameworks published by the International Integrated Reporting Council and the Global Reporting Initiative (GRI).

Compliance monitoring

We conduct ongoing compliance monitoring to ensure that business units are operating in accordance with legal and internal requirements.

We also ensure that management and the Board have sufficient risk and compliance information to enable them to exercise their responsibilities and discharge their duties effectively.

The purpose of compliance monitoring is to:

- Check that controls are in place to ensure that business and system processes are operating adequately, function appropriately, and are compliant with relevant laws, regulations, industry standards, codes and internal standards
- Confirm that policies and procedures are being applied and adhered to
- Assist with the identification of actual, possible or imminent compliance incidents
- Test the effectiveness of the compliance policies and structure
- Determine where problems are being encountered within the business and the reason for them
- Identify compliance training needs

Monitoring takes the form of:

- Self-assessment checklists
- Compliance review and verification
- Targeted reviews
- Ad hoc reviews

Internal Audit program

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve our operations.

Internal audit assists in improving business performance by providing an independent and disciplined approach to evaluate and strengthen risk management, business processes, internal controls and governance activities across the organisation.

The Group Risk Committee oversees the group's risk management, compliance management and Internal Audit program. KPMG performs the activities of an Internal Audit function which reports to the Group Risk Committee and Board Audit Committee.

We maintain an Internal Audit Charter which sets out the roles, responsibilities, authorisation, activities and reporting relationships of the Internal Audit function. The Charter is reviewed and approved by the Board Audit Committee on an annual basis.

In the conduct of its activities the Internal Audit function plays an active role in:

- Developing and maintaining a culture of accountability and integrity
- Promoting and supporting Dexus's Three Lines of Defence Model by maintaining an independent 'third line' in relation to effective risk management and control
- Facilitating the integration of risk management into day-to-day business activities and processes
- Promoting a culture of risk-consciousness, self-assessment and adherence to high ethical standards
- Maintaining a professional and experienced Internal Audit function, through the engagement of suitably qualified professionals, with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the Internal Audit Charter
- Establishing a quality assurance program which supports the operation of internal audit activities and is responsive to the business' needs
- Ensuring that engagements are performed with proficiency and due professional care

The Internal Audit function includes examining, evaluating and monitoring the adequacy and effectiveness of governance, risk management, financial and operational controls designed to manage risks and achieve objectives.

Internal Audit program activities involve:

- Developing and implementing a flexible annual internal audit plan, adopting an appropriate risk-based approach, which is approved by the Group Risk and Board Audit Committees
- Assisting us to promote awareness of key risks, our risk culture and risk mitigation activities
- Supporting audit activities through facilitation, process design and advisory services
- Reporting on the outcomes of internal audits to senior management, the Group Risk Committee and Board Audit Committee
- Keeping our employees informed of emerging trends and successful practices in internal auditing
- Assisting in the investigation of significant suspected fraudulent activities and notifying findings to the Group Risk Committee, GMC, Board Risk Committee and Board Audit Committee
- Conducting follow up activities on the status of agreed significant, high and moderate rated recommendations

Board evaluation

We recognise that performance measurement and management are integral to our Board's success and we believe that board evaluations can contribute significantly to performance enhancement at the organisational, board and director levels.

The Board Nomination Committee oversees the Board performance evaluation program. The evaluation process looks at the performance of the Board and its committees. Individual director performance is also evaluated. When appropriate, an independent expert is retained to conduct the evaluation. Any areas for improvement identified in the performance evaluation process are agreed by the Board Nomination Committee which oversees the implementation of process enhancements.

The Performance Evaluation Policy outlines a formal approach to review and improve performance management.

External feedback and grievance procedures

We are committed to continuous improvement and seek to appropriately address feedback received from investors, customers, employees and other stakeholders. Any grievance escalated to the Head of Governance or Head of Compliance is addressed through grievance or complaints policies and procedures.

For example, an investor complaint may relate to grievances involving our financial products/services or privacy matters. A customer complaint may relate to a significant issue relating to poor service or a poor customer experience.

We maintain policies and procedures to address grievances formally raised by stakeholders in relation to Dexus, our products or services, or the processes we use for dealing with feedback itself.

Our grievance process emphasises conciliation to ensure that inappropriate and unlawful practices cease and that grievances are resolved in a sensitive and timely manner.

Resolution is subject to an agreed rectification plan that is developed and actioned in accordance with the Dexus Compliance Management Framework. Regulatory authorities may be notified and involved in the procedure to resolve the incident if required.

The complaints policies and associated procedures are designed to ensure that:

- Investor, customer, client and potential client complaints are dealt with fairly, promptly and consistently
- Regulatory requirements are complied with
- Any underlying control problems or weaknesses identified by a complaint are appropriately addressed

In accordance with the Australian standards for complaints handling, we seek to:

- Resolve complaints through mutually agreed solutions
- Treat complaints and complainants appropriately
- Provide adequate assistance particularly to those who face barriers to access
- Improve business procedures to prevent reoccurrence
- Provide clear guidelines of the resolution process and time frame
- Provide reasonable access to resources
- Ensure processes and outcomes comply with regulations
- Maintain open communication regarding progress
- Ensure the complainant is protected as stipulated in the Privacy Act

The table below outlines grievance mechanisms used by Dexus to understand stakeholder concerns.

| Grievance mechanism | | | |
|--|---|--|---|
| Employees <ul style="list-style-type: none">– Grievance Procedure– Whistleblower Policy | Investors and third party capital partners <ul style="list-style-type: none">– Handling Investor Complaints Procedure– Investor Complaints Policy | Customers, suppliers and community <ul style="list-style-type: none">– Handling Property Complaints Procedure– Customer Complaints Policy– Whistleblower Policy | |
| Awareness channels | | | |
| Environment and health and safety management programs <ul style="list-style-type: none">– ISO 14001 EMS and ISO 45001 WHS systems across managed portfolio– Identify, assess and manage environmental and safety risks– Site incidents and hazards (e.g. personal injury, property damage, near misses) | Whistleblower program <ul style="list-style-type: none">– Your-call independent service provider– Secure, anonymous, and confidential– Reporting of inappropriate workplace behaviour or other activity by Dexus employees or on Dexus sites | Internal Audit program <ul style="list-style-type: none">– Outsourced risk based Internal audit function– Testing of compliance with controls– Monitor effectiveness of governance, risk management, financial and operational controls | Dexus website <ul style="list-style-type: none">– Investors, customers and community members can lodge incidents or complaints |

Should a complaint require subsequent remedial action, this may involve training, amendments to procedures or controls, or enhancements to monitoring or review processes.

A register of grievances is maintained and reported to the Board Risk Committee and the Board ESG Committee.

Internal grievances and whistleblowing

To maintain a positive and productive work environment, we have implemented a whistleblower program.

An important part of the program is the open and honest discussion of ethical issues. We encourage employees to raise problems with their manager. Should this not be possible for any reason, employees are encouraged to raise their concerns of possible breaches of law or procedure, irregularity, compliance issue, ethical issue or anything else of concern with any of the following representatives:

- Head of Governance
- Head of People and Culture
- General Counsel
- Dexus's statutory auditors, PwC
- Dexus's internal auditors, KPMG

We have also appointed an independent disclosure management service provider, Your-Call, to enable employees and contractors to report securely, anonymously and confidentially information about dishonesty, fraud, unsafe environments, unethical and other inappropriate behaviour in the workplace.

Tax and overseas operations

The Dexus group operates and earns revenues exclusively in Australia. All revenues remain in Australia and Dexus does not shift profits to other jurisdictions. The Dexus Annual Report discloses additional information about the group's approach to taxation.

1.3 Risk Management Framework

Effective risk management is critical to value creation and requires an understanding of risks during all phases of investment from asset selection, acquisition, allocation, ownership and management through to divestment. Responsible investment and active property management principles are integrated into our sustainability approach.

Dexus's Risk Management Framework articulates our approach to managing risk. The framework is aligned to the Australian and New Zealand Standard for Risk Management – Guidelines AS/NZS ISO 31000:2018. The framework is built into daily operations in the form of governance and responsibilities, standard operating procedures, tools and templates, management oversight, collaboration and knowledge sharing, as well as audit and assurance.

The Risk Management Framework supports the Risk Management Policy to assist the group with integrating risk management into our significant activities and functions. The key objective of the framework is to provide Dexus employees with a foundation from which the business can achieve its strategy by effectively identifying and managing the risks and opportunities that impact on the realisation of that strategy. These risks and opportunities include, but are not limited to, strategic, operational, legal and regulatory, cyber security, financial, work health and safety, the environment and reputation.

The framework defines Dexus's process for managing risk and involves the systematic application of policies, procedures and practices including but not limited to:

- Communicating and consulting with appropriate external and internal stakeholders
- Defining the scope of risk management activities, understanding the external and internal context in the environment in which Dexus operates and defining the risk criteria relative to objectives
- Conducting risk assessments to identify, analyse and evaluate risks
- Planning and implementing risk treatment, assessing the effectiveness of controls and determining that the risk profile is aligned with Dexus's risk appetite, strategy and culture
- Monitoring and review of risks to provide assurance and improve the quality and effectiveness of process design, implementation and outcomes

- Reporting to management and boards including to the Group Risk Committee, Group Management Committee, Board Audit Committee and Board Risk Committee
- Providing training to support employees' awareness of and ability to execute their risk management responsibilities.

Our property portfolio varies by geographic location, asset type and tenant type. These variables present specific risks that are managed, monitored and audited in relation to health and safety, building safety, environmental, security and insurance risks.

External review of WHS, security and environmental procedure management is conducted through a comprehensive risk audit and review program to identify, evaluate and mitigate risk in the following areas:

- **Health and safety audits:** compliance/spot audits, workplace health and safety risk profile, ISO 45001 audit/gap analysis, ISO certification audit, principal contractor audit incident investigations (as and when they occur)
- **Building safety:** confined space risk assessment, plant risk assessment, façade audits
- **Environmental:** hazardous materials review, initial site audit, site re-inspections, ISO 14001 audit/gap analysis, ISO certification audit
- **Security:** security risk assessment, external security review
- **Insurance risk:** underwriting assessment, insurance valuations program, risk engineering program

We have developed an in-house property risk management and auditing tool, Periskope, that provides systematic and rigorous property risk profiling. Periskope is a single point of access for tools and data, assisting in property risk management.

Risk appetite

Risk appetite is the amount of risk a business is willing to accept to achieve its strategy. It promotes the principle of 'freedom within boundaries' to assist management in executing the strategy. In accordance with the ASX Corporate Governance Principles & Recommendations and ASIC regulatory guide 259, the board of each Responsible Entity sets the risk appetite for the business. The risk appetite consists of statements which are a combination of principles which align to our strategic objectives.

The Risk Appetite Statement helps to guide decisions by outlining risks for which we have no appetite and risks we may be willing to accept (subject to appropriate mitigating controls) in the pursuit of strategic objectives.

Risk Appetite Statements are subject to annual review, or more frequently if there is a significant change to the business or operating environment and approved annually by the respective boards.

Work health and safety

We recognise our duty of care to investors, customers, employees, agents and the community to manage any work health, safety and liability (WHS&L) risks across our property portfolio. This is reflected through the inclusion of WHS within the group performance scorecard.

Our WHS&L Statement outlines how we manage WHS risks. It states the group's commitment to maintaining safe properties, working with stakeholders to manage hazards, managing risks and continuous monitoring. We implement contractor management software across all managed properties to manage and monitor contractor compliance against insurance requirements, WHS and inductions.

The Sustainability Approach and Procedures disclosure contains additional information on WHS for employees (page 121), customers and visitors at our properties (page 126), and contractors working at our assets (page 136).

1.4 Integrating sustainability

We integrate sustainability in our operations by linking our approach to our performance outcomes through establishing policies and governance frameworks, setting targets and embedding these into day-to-day activities.

| Engagement | Policies | Commitments | Practices | Measure and report |
|--|--|--|--|--|
| We engage with stakeholders to identify and manage material issues which have the greatest impact on our stakeholders. | Dexus's ESG policies encapsulate our 'Sustained Value' vision and inform all stakeholders of their legal and corporate responsibilities for the management of ESG risks and opportunities. | We set measurable performance targets across our key stakeholder groups in line with our strategy, and we drive ethical and responsible performance in all areas of operations. We integrate sustainability objectives into our group scorecard, which is used to determine individual objectives and remuneration outcomes. | We integrate ESG management practices within day-to-day operations, developments and investment decision making to enhance corporate performance and create sustained value. | Within our annual Sustainability Performance Pack, we report our performance across each of our key objectives including achievements against targets. We report our management approaches within our disclosure according to best practice standards (e.g. Integrated Reporting Framework, GRI). |

1.5 Evaluation and process improvement

We seek to continuously improve our governance approach through:

- An annual review of the Compliance Management Framework and Risk Management Framework
- Independent reviews such as internal audits and reviews undertaken by industry experts
- Attending industry forums and seminars, including those provided by law firms and regulators
- Circulars and newsletters from law and accountancy firms and regulators

Leading Cities

Contributing to economic prosperity and sustainable urban development across Australia's key cities.

Dexus's strategy is to deliver superior returns from high quality real estate in Australia's major cities. Our focus on cities means that our success is intrinsically linked to the overall growth and prosperity of the cities where we operate.

Our Leading Cities objective contributes to urban prosperity by directing us to invest in, develop and manage world class, sustainable properties and precincts that enhance local amenity and vibrancy. Across our buildings, we seek to attract high calibre customers whose businesses support local, regional and national economies.

We expand our reach and engage local communities through collaboration and consultation with authorities and industry associations and work together with peers and other stakeholders to lift urban development standards and share insights.

Focus areas for our approach to Leading Cities include:

- **Generating economic impact:** Responding to local community interest in precincts and development projects that contribute amenity, vitality and economic prosperity to their area
- **Integrating ESG into transactions:** Ensuring that sustainability factors are considered in transaction activity, to manage our portfolio's exposure to emerging risks and identify potential opportunities
- **Showcasing sustainable development:** Using our development projects to demonstrate how the urban form can minimise its environmental impact and enhance wellbeing
- **Stakeholder engagement:** Working with our stakeholders to understand what matters to them and using their insights to enhance how we operate

The boundary our approach encompasses Dexus's group portfolio, including development projects, with impacts mainly felt by Dexus's customers, suppliers and local communities.

2.1 Management framework

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objective of Leading Cities. The table below provides insight into the developments and transactions management structure and policy framework, which is an important contributor to our Leading Cities objective. Management of standing investments also contributes to the objective of Leading Cities, and relevant management frameworks for standing investments are described in the Future Enabled Customers and Strong Communities section (page 123), and Enriched Environment section (page 138). Several policies are publicly available at www.dexus.com/corporategovernance.

| Leading Cities management framework | | |
|---|---|---|
| Dexus Board (Board) | | |
| Approval of business plans, investment strategies, property acquisitions, Dexus divestments and developments unless delegated to another committee | | |
| Group Management Committee (GMC) | | |
| Responsibility for developing short, medium and long-term strategies and business plans for achieving those strategies | | |
| Investment Committee | | |
| Consideration and approval or endorsement of investment and divestment proposals, developments, major capital expenditure and certain leases concerning Dexus and each of its managed funds and clients | | |
| Chief Investment Officer | | Executive General Manager Investor Relations, Communications and Sustainability |
| Oversight of group strategic direction, capital allocation, and creating value through development | | Oversight of Dexus Sustainability Approach and stakeholder engagement |
| Development Team | Capital Transactions and Strategy teams | Investor Relations, Communications and Sustainability teams |
| Responsibilities: | Responsibilities: | Responsibilities: |
| <ul style="list-style-type: none"> – Oversight of office, industrial, retail and healthcare developments – Management of development process from origination through to sale or handover – Third party contractor management – Incorporation of sustainability objectives into development design and construction | <ul style="list-style-type: none"> – Originate and execute investment opportunities – Due diligence of acquisitions and developments – Strategic reviews and business case development | <ul style="list-style-type: none"> – Provide technical advice on execution of sustainability objectives – Integrate emerging stakeholder issues into business strategy – Investor, government and media stakeholder engagement |
| Policy Framework | | |
| Development and Construction Due Diligence Investment Procedures Transactions Handbook | | |
| Capital Transactions Excellence Method Environmental Statement Biodiversity Work Health, Safety & Liability Statement | | |
| Investor Communications Continuous Disclosure | | |

2.2 Management practices

Investment due diligence

Dexus has a rigorous process for evaluating the ESG risks and opportunities relating to investment decisions. This includes reviewing long-term asset plans and conducting appropriate environmental due diligence on acquisitions so that ESG risks are identified and effectively managed.

The Investment Committee reports to the GMC and is responsible for reviewing all investment, divestment and development proposals for Dexus and its third party capital partners.

The Investment Committee recognises its fiduciary duty to act in the best interests of Dexus and its third party capital partners and uses a formal process and templates to collect and evaluate a wide range of data relating to risks, opportunities and impacts before approving or endorsing each investment decision.

Potential acquisitions are screened to ensure responsible investment principles are upheld. The Investment Committee identifies ESG issues that may affect an investment. It then categorises them as:

- Material issues that may lead to the abandonment of the potential investment
- Less significant issues, risks and opportunities that impact the decision and/or the investment price, or the terms of sale
- Insignificant issues that are not deemed to affect Dexus or its third party capital partners

If an issue is uncovered, decisions are made whether to pursue the investment opportunity or mitigate the impact

We review environmental metrics for acquisitions and divestments with reference to our environmental targets and objectives. In some cases, this may present opportunities to reposition and add value to under-performing properties through environmental initiatives. In other cases, when an investment fails to meet our environmental criteria, it may prevent an otherwise worthwhile transaction from proceeding.

Developments

Development helps enable the delivery of our strategic objectives of leadership in Australian office and being a funds management partner of choice and Dexus has a strong track record in developing high quality office, industrial retail and healthcare properties in key Australian markets. Our developments have a focus on delivering superior risk adjusted returns through quality, sustainability and enhancing public amenity.

| Dexus Development Lifecycle | |
|-----------------------------------|--|
| Phase | Elements |
| Origination | <ul style="list-style-type: none"> – Preliminary feasibility – Asset plans and masterplans (if the opportunity involves an existing asset) – Identifying potential constraints, such as planning controls, existing tenancies, internal capabilities, and physical site constraints – Research market and demographic factors – SWOT analysis for the opportunity |
| Concept development | <ul style="list-style-type: none"> – Setting up a project team, including external consultants – Stakeholder mapping – Developing and endorsing a concept brief |
| Planning, design and construction | <ul style="list-style-type: none"> – Preparing a development plan and leasing strategy – Obtaining development approvals – Stakeholder engagement – Construction through a third party project manager and builders |
| Asset sale or handover | <ul style="list-style-type: none"> – Construction completion – Insurances and other regulatory matters – Handover to asset management or capital transactions |

Drivers for sustainable development

Our approach to integrating sustainability into our development projects responds to a range of internal and external drivers that underpin ongoing investment in property efficiency and financial and environmental sustainability. These include:

- **Improving rental returns:** The desire to reduce operating costs and manage risk associated with utility prices. Reduced outgoings can mean that Dexus is able to increase profit margins. Evidence has shown that the most efficient and sustainable buildings attract premium rents
- **It makes financial sense:** Investment in energy efficient technology is proven to be one of the lowest cost ways to reduce greenhouse gas emissions and project investments are paid back through reduced utility and maintenance costs in a reasonable timeframe. This is particularly evident for new designs, in which ESG opportunities can be incorporated at reduced marginal cost
- **Consumer demand and sentiment:** The leasing market is competitive, and customers often have a choice of properties to occupy. An increasing expectation among customers is for their property to perform efficiently to meet their ESG needs and minimise outgoings. For example, government agencies set minimum standards for base building NABERS ratings as a minimum requirement when selecting potential space
- **Industry leadership:** Taking a leadership position on issues such as responsible investment and applying suitable focus on ensuring that its properties are leaders in their respective markets
- **Benchmarking:** Green Star and NABERS ratings quickly enable our customers, investors, and the wider community to assess the relative ESG performance of Dexus properties against industry benchmarks

- **Future proofing:** Dexus tackles ESG issues and maximises property performance as part of its long-term risk management strategy. This ensures the property portfolio is best placed to deal with potential future issues including introduction of environmental minimum standards, taxes or financial penalties associated with resource use and greenhouse gas emissions, and new legislation
- **Attracting and retaining investors:** ESG performance is one of several criteria in which investors allocate funds. Investors interested in investing in sustainable companies will refer to stock exchange sustainability indices including Dow Jones Sustainability Index and FTSE4Good to assist them

Integrating sustainability factors into development projects

We prepare design briefs for all new developments and refurbishments in conjunction with our customers where applicable. Design briefs describe the scope and nature of the development works and incorporate a range of requirements and minimum standards relating to sustainability issues and performance. Each design brief is unique to the development or retrofit, however an overarching document is created for each works project for the purposes of tendering and holding contractors to account against a fully documented list of requirements.

We seek buy-in from prospective customers and agree the final brief before proceeding with construction. We incorporate sustainability into all aspects of the design through the inclusion of sustainable property features including passive cooling, efficient lighting and air conditioning, as well as applying minimum standards to equipment and materials such as insulation R-values and WELS ratings for water fixtures.

Provided below is more detail on the integration of key sustainability factors into development projects.

| Element | Dexus's approach |
|---|--|
| Biodiversity and habitat | <p>Our development sites are often brownfield sites with negligible biodiversity value. Where biodiversity may be impacted by our activities, the Dexus Biodiversity Policy directs teams to ensure our developments have a net positive impact on biodiversity and apply an approach to avoid, minimise, restore and offset adverse biodiversity impacts.</p> <p>Developments seeking Green Star Design & As Built certification are directed to manage biodiversity issues in accordance with Land Use and Ecology category credits.</p> <p>We comply, and direct our suppliers to comply, with development conditions that relate to biodiversity conservation at our development sites.</p> |
| Building safety | <p>Our development projects are expected to uphold the highest standards in building safety, both in terms of safety during construction and the ongoing operation of the asset.</p> <p>Our goal for all projects is a no harm, safe workplace with zero fatalities, both during the development phase and the ongoing operation of the property.</p> |
| Climate change adaptation and resilience | <p>We assess potential climate change risks and changes to exposure and vulnerability regarding future climate scenarios.</p> <p>Developments with high inherent climate change risk that are seeking Green Star Design & As Built certification are directed to manage climate change adaptation issues in accordance with the Adaptation and Resilience credit guidelines.</p> <p>We comply, and direct our suppliers to comply, with development conditions that relate to climate change adaptation at our development sites, including but not limited to flood mitigation measures.</p> <p>As stated in Dexus's <i>Towards Climate Resilience</i> report, incorporating climate-related issues into development processes can ensure that our properties are low carbon from day one of operation and have the capacity to integrate the technologies of the future as they mature. Key actions supporting the climate resilience of our developments include:</p> <ul style="list-style-type: none"> – Enhancing policies, procedures, and design briefs to ensure that climate-related issues are considered throughout the development process, including the use of minimum standards and stretch goals where appropriate – Exploring design opportunities that maximise the adaptability and flexibility of buildings over time, so they can accommodate future changes in climate and technology – Assessing the embodied carbon of our developments, with a view to reducing embodied carbon over time – Continuing the use of tools such as Green Star and life cycle assessment |

| Element | Dexus's approach |
|---|---|
| Energy consumption/management and greenhouse gas emissions | <p>Across our developments, we are committed to designing for operational efficiency, targeting net zero emissions from operations and sourcing 100% renewable energy by 2030. We collaborate with industrial customers to incorporate onsite solar electricity generation for new industrial developments.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy and emissions management issues in accordance with the Energy category credits.</p> <p>Energy efficiency is integrated into the whole-of-property design process, and projects seek to exceed relevant energy codes, achieve leading Green Star and NABERS Energy ratings and support our net zero emissions by 2030 ambition. Common energy efficiency measures include:</p> <ul style="list-style-type: none"> – High efficiency HVAC (heating, ventilation and air conditioning) systems – High efficiency lighting – Independent building commissioning – Occupant sensors and controls to match indoor environmental conditions with occupant requirements – Energy modelling to assess property energy performance and inform design |
| Environmental attributes of building materials | <p>We aim to take a lifecycle approach to inform financial business cases for low embodied carbon for materials at key projects.</p> <p>Developments seeking Green Star Design & As Built certification are directed to address issues regarding the environmental attributes of building materials consumption and management issues in accordance with the Materials category credits.</p> <p>Selection of materials at our development projects is often the responsibility of our suppliers. Dexus's Sustainable Procurement Policy and Supplier Code of Conduct directs suppliers to procure sustainable products and services where feasible that:</p> <ul style="list-style-type: none"> – Have a lower embedded carbon footprint due to selection of raw materials and efficient manufacturing processes – Contain a high recycled content and produced in a way to ensure it can be recycled through common services – Are certified to internationally recognised standards or demonstrate other applicable sustainability criteria – Support our net zero emissions by 2030 ambition |
| Health and wellbeing | <p>We support occupant health and wellbeing at our developments through focusing on indoor environmental quality and supporting initiatives in property design and subsequent operations.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy consumption and management issues in accordance with the Indoor Environmental Quality category credits.</p> <p>At select developments, we elect to obtain WELL Certification to further enhance a property's health and wellbeing performance.</p> |
| Location and transportation | <p>Most of Dexus's portfolio is strategically located in Australia's major cities with strong multi-modal transport networks. We also encourage active transport by providing end-of-trip facilities in our properties and supporting initiatives such as access to bicycle maintenance through our online property portals.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate multi-modal transportation access and facilities issues in accordance with the Transport category credits.</p> |
| Supply chain | <p>Dexus's Sustainable Procurement Policy and Supplier Code of Conduct are included in all developer contracts and direct suppliers to comply with relevant legislation and contribute to our sustainability objectives.</p> |
| Water consumption/management | <p>We focus on sound water management through designing new properties to achieve minimum NABERS Water standards and integration of water saving measures such as on-site storage tanks and efficient fixtures.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy consumption and management issues in accordance with the Water category credits.</p> <p>Water management is integrated into the whole-of-building design process, and projects seek to exceed relevant energy codes and achieve Dexus's Green Star and NABERS Water ambitions. Common requirements and measures included in developments are:</p> <ul style="list-style-type: none"> – Requiring high efficiency fixtures to enhance indoor water efficiency – Requiring drought tolerant landscaping and use of non-potable water sources (rainwater, stormwater, greywater) for outdoor uses to enhance outdoor water efficiency – Water system commissioning and tuning to enhance process water efficiency – Leak detection systems – Occupant sensors to control water flows |

| Element | Dexus's approach |
|-------------------------|--|
| Waste management | <p>We focus on waste management through development and implementation of construction and operational waste management plans.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy consumption and management issues in accordance with the Operational Waste and Construction and Demolition Waste credit guidelines.</p> <p>Expected inclusions within construction waste management plans are:</p> <ul style="list-style-type: none"> – Construction waste signage – Targets for waste stream recovery, reuse and recycling – Waste separation facilities – Waste monitoring (including hazardous and non-hazardous waste monitoring) <p>Contractors have financial incentives to recover, reuse and recycle building materials through avoided costs associated with sending waste to landfill. We educate employees on appropriate waste management and support contractors to deliver waste management education at our development sites.</p> |

Green building certifications

Dexus selectively rates new developments against the Green Building Council of Australia's (GBCA) Green Star Design & As Built ratings and continues to present Green Star opportunities to all pre-lease construction opportunities. Dexus targets to achieve at least 5 Star Green Star Design & As Built ratings across all new office and healthcare developments as well as select industrial developments.

Select office developments seek excellence in property health and wellbeing by targeting WELL certification from the International WELL Building Institute.

Site selection and design

A large proportion of our developments, particularly across the office and retail portfolios, occur within existing developed areas (i.e. brownfield sites). We seek development opportunities in properties in highly connected urban environments and integrate our developments with multi-modal transport networks and facilitate active transport options. Our developments aim to create city precincts that enhance the amenity and vitality of Australia's central business districts.

When selecting sites in greenfield locations and developing site design, our projects seek to protect, restore and conserve aquatic ecosystems, farmland, floodplain functions, and habitat for threatened and endangered species. These features are often protected through development approval conditions that we comply with and at times seek to exceed in order to achieve a net positive biodiversity outcome (see Dexus's Biodiversity Policy).

Development approval conditions and other measures included in development contracts help minimise negative impacts of construction by directing projects to:

- Manage waste by diverting construction and demolition materials from disposal
- Manage waste by diverting reusable vegetation, rocks and soil from disposal
- Protect air quality during construction
- Protection surface water and aquatic ecosystems by controlling and retaining construction pollutants
- Protect and restore habitat and soils disturbed during construction

Developments seeking Green Star Design & As Built certification are directed to minimise negative impacts of construction through Responsible Construction Practices and Construction and Demolition Waste credit guidelines. Environmental impact assessments are carried out at all sites and on selected sites social impact assessments are undertaken.

Environmental and health attributes of building materials

Building materials selection for Dexus developments is usually undertaken by development contractors. Dexus's Sustainable Procurement Policy and Supplier Code of Conduct is built into all development contracts and contains expectations for contractors regarding the environmental performance and health attributes of building materials.

We obtain product data sheets from contractors detailing the environmental and health attributes of building materials as part of the design phase then in the certification of the property for its use. Wherever a development brief is likely to contain hazardous materials, the contractor is to provide independently certified laboratory tested hazardous materials clearance certificates.

Demographics and accessibility

Development design is informed by our Research team, which provides insights into market and demographic trends. These insights are combined with local community engagement feedback and incorporated into development briefs to ensure that the completed property will meet market and demographic demand now and into the future.

Properties are designed to offer flexibility and adaptability in tenancy design. Where appropriate, Dexus invokes inclusive design by engaging local communities, governments, employees and other groups to contribute to the design, so the built outcome is reflective of the interests and diversity of its users and other stakeholders.

All developments are required to ensure accessibility in accordance with the provisions of the Disability Discrimination Act 1992.

Stakeholder engagement

Building and nurturing strong working relationships with our stakeholders is critical to our value creation. Our key stakeholders include investors, third party capital partners, customers, communities, suppliers, government, media, and our people. We aim to build lasting relationships with our stakeholders through an active program of engagement activities. As part of our periodic materiality assessment, we involve groups of our key stakeholders to help identify key issues that impact our ability to create value for our stakeholders over the short, medium and long term. The table below identifies our key stakeholder groups and how we engage with them. Additional detail is also available in the Dexus Stakeholder Engagement Guideline at www.dexus.com/corporategovernance

| Stakeholder group | Engagement objectives and activities |
|--|--|
| Dexus (DXS) investors | <p>Dexus is listed on the Australian Securities Exchange (ASX: DXS) and has a large investor base of approximately 29,000 Security holders. The majority of securities are owned by institutional investors such as superannuation funds, sovereign wealth funds and index funds. Almost half of our investors are based in Australia, with strong representation from North America, the United Kingdom and Asia.</p> <p>Objectives</p> <p>Our engagement with investors aims to:</p> <ul style="list-style-type: none"> – Educate investors about our business using accurate, timely and comprehensive information – Understand investors' perceptions about us – Ensure that our security price reflects fair value – Enhance interest in Dexus as a suitable investment proposition – Benchmark our performance using ESG surveys <p>How we engage</p> <p>Dexus has an investor relations and communications strategy that promotes an informed market and encourages participation with investors. This strategy involves providing an open and ongoing two-way dialogue with the investment community and other key stakeholders that integrates the communication of financial and operational performance and regulatory reporting requirements. Enquiries received from Dexus investors are addressed in a timely manner in accordance with Dexus's policy on the handling of enquiries and complaints.</p> <p>A core element of our engagement with investors is the comprehensive reporting of our performance through:</p> <ul style="list-style-type: none"> – Annual and half-year reports that include property performance metrics, comparison against benchmarks, key events that have occurred and their impacts on the portfolio including but not limited to acquisitions, divestments and developments – Annual General Meetings – Sustainability performance reporting including current NABERS ratings, intensity figures for energy, water and greenhouse gas emissions, as well as efficiency improvement projects – Participation in investor ESG surveys and responding to investor requests for ESG information – Perception studies completed by third parties to understand investor sentiment and our position relative to peers |
| Third party capital partners (unlisted investors) | <p>Dexus's funds management platform has 77 institutional investors across its seven managed vehicles, with strong representation from Australia, plus Asia, North America and Europe. Third party capital is largely sourced from domestic and offshore superannuation/pension funds, with multi-managers and sovereign wealth funds also represented.</p> <p>Objectives</p> <p>In addition to the objectives for Dexus investors, the funds management business works to:</p> <ul style="list-style-type: none"> – Attract and retain capital from third party partners – Inform its third party capital partners on the broader Dexus business and our integrated model – Ensure investor confidence in Dexus's corporate governance processes and management of related party conflicts – Understand investment, reporting and regulatory requirements of institutional investors – Promote transparency and ongoing two-way dialogue <p>How we engage</p> <p>The wholesale pooled funds hold Annual General Meetings. These funds also provide best-in-class corporate governance through the provision of Investor Advisory Committees comprising a combination of majority and minority investors) to oversee key fund decisions including related party transactions. Joint venture partners are intimately involved in the management of the portfolio and are included in decision-making on all major matters.</p> <p>Third party capital partners, depending on the vehicle invested in, may receive formal monthly, quarterly and annual reports including property and financial performance metrics, comparison against benchmarks (where relevant), key events that have occurred and their impacts on the portfolio (e.g. acquisitions, divestments, developments).</p> <p>Third party capital partners also have access to dedicated investor internet portal via the Dexus website, enabling self-service access to investment information and key documentation on the investment vehicle.</p> |

| Stakeholder group | Engagement objectives and activities |
|---|---|
| Government, regulators, and industry | <p>We maintain an active and extensive engagement program to represent the interests of Dexus with various government authorities, politicians and industry bodies.</p> <p>Dexus contributes to industry associations through membership fees and sponsorship opportunities. Our involvement in industry associations is designed to contribute to a collective voice that champions the property industry's role in delivering sustainable economic growth.</p> <p>Dexus does not make political donations or provide gifts to politicians or public servants. As per the Dexus Political Donations Policy, Dexus employees and Directors are prohibited from using Dexus funds for political contributions. Where we engage with government we do so in an ethical and transparent manner.</p> <p>Objectives</p> <p>The objectives of our engagement with government and regulators include:</p> <ul style="list-style-type: none"> – Maintaining our reputation as a contributor to economic growth and leading city outcomes – Understanding potential legal and regulatory changes relevant to the Dexus business – Ensuring authorities have current information about our properties in their jurisdiction – Understanding how we can deliver on civic priorities through our developments and operations, including how we can enhance the public realm of our precincts – Contributing to industry reform <p>How we engage</p> <p>The Dexus Investor Relations and Communications team manages engagement with public authorities and industry associations.</p> <p>We work closely with the main body representing the property industry – the Property Council of Australia (PCA) – to support and encourage effective policy development for the property industry, developing recommendations and drafting submissions to government and statutory authorities. Dexus is represented on a range of PCA industry committees and may be requested to participate in working groups facilitated by the PCA. In these situations, Dexus representatives act for the benefit of the property industry as a whole. Areas of engagement include collaborating on issues such as gender diversity, green building, and strategic urban planning.</p> <p>We also regularly engage with the industry and broader stakeholder communities through speaking engagements, presentations or panel representation, at both Australian and international conferences and events.</p> <p>We engage with local, state and federal government officials and policy makers as needed to discuss and present our views regarding issues such as local and state planning, local infrastructure and the environmental and social impacts of proposed developments. In these engagements, we aim to foster constructive two-way dialogue that aligns Dexus and government interests and delivers a mutually beneficial outcome.</p> <p>The Dexus Risk, Compliance and Governance teams maintain a respectful and transparent relationship with regulators and aim to meet any of their requests for information in a timely matter. We support regulatory examinations and ensure prompt reporting of compliance incidents where required.</p> |
| Media | <p>We engage with local, state and national media to communicate news about our activities that is material to markets and of interest to the broader community. We also recognise the value of social media as a communication tool.</p> <p>Objectives</p> <p>Objectives of our media engagement include:</p> <ul style="list-style-type: none"> – Providing relevant, accurate information about Dexus and its activities to media outlets for dissemination – Managing and strengthening Dexus's reputation <p>How we engage</p> <p>The Dexus Investor Relations and Communications team leads our engagement with mainstream media and social media channels and is responsible for the coordination of the group's external messaging to ensure accuracy and consistency.</p> <p>We provide a single point of contact for media outlets for enquiries and, through a coordinated program with executives, regularly engage in conversation with key national and state-based media representatives. The Dexus Press and Media Policy provides guidance for employees on engaging with the media and ensuring any information provided is accurate and appropriate for disclosure. All official Dexus spokespeople undertake media training organised by the Investor Relations and Communications team.</p> <p>Dexus maintains a presence on the following social media networks:</p> <ul style="list-style-type: none"> – LinkedIn – https://www.linkedin.com/company/dexus-property-group/ – Facebook – https://www.facebook.com/dexusau/ – Twitter – https://twitter.com/dexus – Instagram – http://www.instagram.com/dexus_community |

| Stakeholder group | Engagement objectives and activities |
|--|--|
| Media continued | <p>We use these social media networks to disseminate stories about our workspace insights and activities. The Dexus Social Media policy describes our approach to social media and provides guidance for employees on the appropriate use of social media.</p> <p>We regularly review our media engagement activities, using insights from media monitoring providers and social media networks to understand our reach, emerging issues, and trends of interest to our stakeholders.</p> |
| Local communities at development projects | <p>At all properties (100%) under development we engage with local communities and relevant authorities as part of the development approvals process.</p> <p>Objectives</p> <p>We recognise the value of community consultation on new developments and refurbishments to:</p> <ul style="list-style-type: none"> – Provide relevant and accurate information about Dexus group development projects – Understand how development projects may impact local communities and inform mitigation activities – Receive community feedback on development design and features <p>How we engage</p> <p>The exact methods of community engagement depend on the nature of the development. Aspects that are generally included in our approach to community engagement include:</p> <ul style="list-style-type: none"> – Identifying stakeholders that may be impacted by the development – Identifying nuisance and/or disruption risks (e.g. noise, traffic changes) – Development and implementation of a communication plan (e.g. hotlines, fact sheets) – Development and implementation of a monitoring plan (e.g. monitoring issues register) – Development and implementation of a risk mitigation plan |
| Local communities at operational assets | The Strong Communities section of the Sustainability Approach and Procedures (pages 129–130) details how we engage local communities at operational assets. |
| Customers | The Future Enabled Customers section of the Sustainability Approach and Procedures (pages 123–128) details how we engage customers across our portfolio. |
| Employees | The Thriving People section of the Sustainability Approach and Procedures (pages 116–122) details how we engage our people. |
| Suppliers | The Supply Chain section of the Sustainability Approach and Procedures (pages 130–136) details how we engage our suppliers. |

2.3 Evaluation and continuous improvement

We regularly evaluate our overall strategy and employ several mechanisms to monitor performance against strategic objectives, report progress to the GMC, and drive continuous improvements.

The table below specifies key performance indicators that we use to evaluate our Leading Cities outputs and impacts.

| Leading Cities objectives | Outputs | Impacts |
|--------------------------------|--|--|
| Economic contribution | <ul style="list-style-type: none"> – Value of portfolio – Portfolio occupancy rates – Construction jobs supported at development projects – Gross value added to the economy from development projects | <ul style="list-style-type: none"> – Leading destinations that attract economic activity to our cities – Economic contribution to local communities |
| Sustainable development | <ul style="list-style-type: none"> – Green building certifications achieved at development projects (including but not limited to Green Star, NABERS, WELL) | <ul style="list-style-type: none"> – Demonstration of sustainable development outcomes – Environmental and health impacts as described elsewhere in this document (e.g. improved health from reduced pollution, enhanced occupant wellbeing) |
| Stakeholder engagement | <ul style="list-style-type: none"> – Meetings with investors, government, and other stakeholders – Media reach and ASR (advertising space revenue) – Social media analytics (followers and engagement) | <ul style="list-style-type: none"> – Enhanced reputation from strengthened stakeholder sentiment and strong, consistent communication – Enhanced communication to general public – Enhanced reputation from strong positioning of brand and business activity |

Thriving People

Building an engaged and capable workforce that delivers on our strategy and supports the creation of sustained value.

Our Thriving People objective recognises the direct relationship between the capability of our people and the success of our business. When we effectively engage our people, develop their capabilities and provide opportunities for growth, we are able to harness their full potential and enhance our sustained value creation.

The focus areas for our approach to Thriving People are:

- **Employee engagement and retention:** enthusiastic and engaged employees are most likely to remain at Dexus and contribute positively, leading to better productivity outcomes and lower recruitment costs. We are focused on creating and supporting a culture where our employees are fulfilled by their work and have opportunities to grow
- **Professional development:** learning and offering development is a core component of recruiting and retaining a talented workforce. We support the ongoing growth of our employees by providing a structured learning and development

- **Inclusion and diversity:** an inclusive workplace with a diversity of views is a driver of competitive advantage. Diversity means valuing an individual's race, gender identity, age, religious belief, ethnicity, cultural background, economic circumstance, disability, expression of thought and sexual orientation as well as their experiences, skills and capabilities to create a business environment that encourages a range of perspectives
- **Workplace health and safety:** we have a duty of care to our employees, as well as investors, customers, and the wider community to ensure WHS risks are appropriately managed
- **Employee wellbeing:** we value our employees and recognise the intrinsic importance of their health and wellbeing as well as its impact on business performance

The boundary for our approach encompasses all Dexus employees and corporate contractors across our corporate offices and site-based teams within the Dexus group portfolio, with impacts felt across our employees and their families.

3.1 Roles and Responsibilities

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objective of Thriving People. The table below provides insight into the relevant management structure and policy framework. Several policies are publicly available at www.dexus.com/corporategovernance.

| Thriving People management framework | |
|--|--|
| Dexus Board (Board) | |
| Responsibility for approving remuneration outcomes and people policies | |
| Board People & Remuneration Committee | |
| Oversight of people practices by reviewing and endorsing key policies and practices around employee engagement, professional development, succession planning, culture, inclusion and diversity | |
| Group Management Committee (GMC) | |
| Responsibility for alignment of Dexus's corporate culture with its goals and objectives and sustaining competitive advantage by maximising available human and other resources and encouraging employee commitment | |
| People and Culture team Responsible for executing Thriving People strategy across: <ul style="list-style-type: none"> – Employee engagement – Talent attraction and retention – Learning and development – Remuneration – Inclusion and diversity – Employee networking groups and opportunities | Risk team Oversight of workplace health and safety |
| Policy Framework | |
| Employee Code of Conduct Inclusion and Diversity Flexible Working Work Health, Safety and Liability Human Rights Whistleblower Training and Education Workplace Behaviour Leave Domestic Violence Leave | |

Our purpose

The Dexus Purpose was defined by our people and sets out themes that guide us on our value creation journey. These themes include:

- Who we are: We are a passionate and agile team who want to make a difference
- Why we come to work: We create spaces where people thrive
- What we believe in: We are here to create value for customers, investors, communities and our people
- How we behave and what we value: Openness, trust, empowerment, integrity

We set annual commitments related to our Thriving People focus areas and report on progress against these commitments in our Annual Reporting Suite.

3.2 Employee engagement and performance

We nurture and sustain an engaged, high-performing workforce that embraces our purpose and is motivated to deliver on Dexus's strategy. Engaged employees are more likely to generate and implement innovative ideas, apply discretionary effort and act as brand custodians.

Employee Listening Strategy

| Dexus Employee Listening Strategy | | | |
|---|---|---|---|
| Objectives | | | |
| Generate real time feedback Close the loop Enable continuous improvement | | | |
| Census/pulse | Always on | Personal/anecdotal | Deep soak |
| Generate a workforce profile and understand what our people need to thrive at Dexus e.g. Pulse surveys | Measure the moments that matter in the employee lifecycle and business lifecycle e.g. Live Q&A during CEO Town Halls | Deep dive into employee experience to respond to trends and explore the feedback e.g. focus groups | Improve effectiveness by developing leaders, teams and Dexus as a whole e.g. Organisational culture tracking and reporting |

We survey our employees at least twice per year to understand levels of engagement and sentiment around workplace issues such as inclusion and diversity, change management, and health and wellbeing. An outcome of these surveys is an employee Net Promoter Score (NPS), which we use as our key metric for tracking engagement. We also analyse survey results by business unit to understand how sentiment varies across Dexus and to identify any focus areas. We set employee NPS targets in our annual reporting and use survey results to inform action plans to lift engagement where required.

The Dexus Purpose is an important component of how we engage our employees and instil the right culture. The purpose directs our people to focus on value creation for our investors, customers, employees and communities. It reinforces our values of openness and trust, empowerment and integrity.

Employee attraction and retention

Attraction, engagement and retention of employees is an integrated and continuous process. The GMC conducts a talent management process and the Board People & Remuneration Committee oversees this process.

Our recruitment model incorporates the following aspects:

- Promoting opportunities internally first to aid career development and retention
- Using advanced recruitment technology to support an enhanced best practice recruitment process
- Operating a careers website to capture talent pools for key job segments

This process provides an efficient way to access a diverse range of talent pools, enabling the group to attract the best people effectively.

Performance management and role clarity

Employees undertake ongoing check-ins with their managers to:

- Agree on and evaluate progress against targets and objectives
- Agree on a personal development plan
- Discuss personal flexibility needs

We adopt a Balanced Scorecard methodology to manage executive and employee performance, which measures contribution and achievements against threshold, stretch and outperformance targets. Scorecards also motivate all leaders and employees to strive for outperformance within their teams.

Key performance indicators (KPIs) are agreed with each employee in collaboration with their manager, to provide a measurable yardstick against actual performance. KPIs align with organisational goals and values, and vary for each employee depending on their role. Our 3+1 approach to setting personal objectives directs employees to set three individual KPIs that align with organisational goals, and a personal Thrive goal that identifies the one simple thing they need to thrive. Thrive goals can relate to factors such as career, passion, flexibility, development, health or volunteering.

Reward, recognition and benefits

We recognise and reward employees who contribute to the success and growth of the group. Our remuneration structure is based on:

- Market competitiveness
- Alignment of performance payments with the achievement of financial and operational objectives that support the group's risk framework and values-based culture
- A targeted mix of remuneration components including immediate performance payments and deferred performance payments linked to returns over the longer term

The Board People & Remuneration Committee reviews trends in employee reward structures and strategies in other comparable companies. The annual employee remuneration review considers gender pay gaps to maintain gender pay equity (page 119).

All employees are employed in Australia and are paid above the Australian minimum wage.

Key components of our reward and recognition program are:

- **Fixed Pay** – each position is matched to a comparable industry role using benchmark data and continually reviews and assesses our position with an aim to be market leaders
- **Benefits** – comprises a Wellbeing Subsidy (\$100 per month), Dexus Days (5 days of additional leave annually), Employee Share Ownership Plan (\$1,000 grant per annum) and other employment, lifestyle and financial benefits
- **Incentives** – Group Incentive Plan, Recognition Pool, Short and Long-Term Incentive plans. Performance is generally assessed over a one-year period commencing 1 July, however, senior management and executives also focus on a longer time horizon through the deferred elements of the Short-Term incentive plan (1 and 2 years) and the Long-Term incentive plan (3 and 4 years)

Our Recognition Pool ensures that we reward performance that goes above and beyond daily tasks, allowing for the acknowledgement of great performance through non-financial means. Some of the rewards in the Recognition Pool include:

- **Peer acknowledgement** through forums and employee updates
- **Additional time off** above and beyond standard allowances
- **Education** of interest to the individual, including attendance at courses, seminars and conferences
- **Experiences** of interest to the individual

Freedom of association and collective bargaining

Our employees are employed under individual contracts which comply with the National Employment Standards (NES). All employees are covered by the conditions of an Award or of the NES. Dexus places its employees on an individual agreement, which cannot under legislation, remove any rights an employee has under an award for NES. These awards or standards clearly indicate the all employees are free to associate, and as per the Dexus Human Rights Policy we do not engage in any practices that discourage freedom of association or collective bargaining.

Managing organisational changes

Organisational redesign involves consideration of our organisational capability requirements to effectively deliver both strategic and operational requirements both now and in the future. Where organisational redesign results in significant changes or the closure of a role, employees are informed in a reasonable timeframe and wherever possible, impacted employees are provided development to meet the role requirements or internally redeployed.

Employees who involuntarily leave Dexus may be eligible for career transition support services, including personal coaching, retraining, tools and support to assist with exploring career options. Our provider offers four levels of career transition support. This is tailored to provide appropriate support for the seniority of the individual and the role opportunities that match their experience and skillset. For our executive level, this includes executive career coaching, networking, educational courses and job leads.

Employees also may be eligible for Employee Assistance Program for up to three months post their employment to provide additional personal support through this transition.

3.3 Learning and development

At Dexus we take a blended learning approach, recognising that the best learning comes from a variety of methods:

- **Experience** – learning through doing
- **Exposure** – learning through others
- **Education** – formal learning such as classroom sessions and online learning

We design and implement a comprehensive learning and development curriculum to build employees' skills, knowledge and experience to deliver business objectives. The Training and Education Policy outlines the objectives for training employees with a focus on strategic training needs that Dexus has identified:

- Ensuring that employees maintain the necessary knowledge, skills and experience required to perform their job functions and responsibilities fairly, honestly and efficiently
- Developing new knowledge and skills to foster innovation and to grow employees' capabilities
- Updating knowledge and skills for changes to legislation, regulatory policies and standards, company policies and procedures, economic and financial developments, new products and new market practices
- Ensuring compliance with relevant industry training standards and qualifications
- Increasing awareness of our compliance policies and expectations relating to ethics and integrity

Managers undertake skills gap assessments for each employee to ensure they have the necessary capacity, competence, knowledge, training, seniority and skills to perform their role.

Employees work with their managers to prepare and implement individual training plans to maintain and update employee skills and knowledge. Activities include executive coaching, support mentoring programs, study assistance and a talent management process designed to employee development.

Training activities also extend to developing the capabilities of the group's partner providers, including onsite training of facilities management teams in the operation of enhanced building management systems and customer service.

Leadership development

We conduct leadership development programs to enhance the capabilities of management and to drive commercial and cultural change. Our leadership program includes individualised development plans that target improvement in specific behaviours, skills and knowledge, along with experiences to enable success in the leadership role.

An online performance management system is used to manage and improve leadership abilities of managers and facilitate employee self-development. People managers participate in Dexus Management Essentials which equips new leaders to meet team leadership and role responsibility challenges.

Directors attend facilitated education and training events to meet their Continuing Professional Development requirements and contribute to their obligations set by the Australian Institute of Company Directors.

3.4 Inclusion and diversity

We are committed to attracting and retaining a diverse workforce that brings a range of perspectives and helps us execute our strategy in an ever-changing business environment.

Diversity policies and practices

Our Inclusion and Diversity Policy embraces diversity in gender identity, race, age, disability, sexual orientation, nationality, education, socioeconomic background, work experience, relationship status, family/carer responsibilities and personality. These factors influence the unique perspectives that our employees bring to the workplace. Our people should feel safe and empowered to bring their whole selves to work every day.

Set out below is a summary of the objectives and approaches within our inclusion and diversity strategy.

| Inclusion and diversity strategy goal: Equality is a business and cultural norm | | |
|---|---|---|
| Objectives | | |
| Employee <ul style="list-style-type: none"> – Foster an inclusive culture – Recognise the unique needs of employees – Empower employees to use diverse talents | Customers <ul style="list-style-type: none"> – Use diversity to achieve high performing culture – Differentiate Dexus from competitors – Enable delivery of outstanding results and service | Community <ul style="list-style-type: none"> – Ensure Dexus's population is demographically diverse and reflects the communities where we operate |
| Management Approach | | |
| Dimensions <ul style="list-style-type: none"> – Gender identity – Caring responsibilities – Ethnicity and culture – Sexual orientation – Age and generation – Indigenous culture – Person with a disability | Levers <ul style="list-style-type: none"> – Talent pipeline – Pay equity – Leadership – Inclusive culture – Recruitment – Training and development – Job design and flexible workforce – Strategies, policies and procedures – Measurement and monitoring | Processes <ul style="list-style-type: none"> – Research, understanding, debate – Events, campaigns, awareness raising – Policies, procedures, programs and training – Workforce and recruiting – Customer and supply chain – Public commitment |

Gender diversity and pay parity

Dexus is recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA), an affirmation of our commitment to building gender diversity and sustaining gender equality within our workforce.

We have a target to maintain at least 33% female representation on our Board. Within our workforce, we have committed to achieving 40% female, 40% male, and 20% any gender representation across senior and executive management roles by 30 June 2021 (40:40:20 target).

Dexus is committed to closing the gender pay gap, with a view to achieving and maintaining pay parity in like-for-like roles. Our approach to achieving gender pay parity is consistent with WGEA guidance, and includes:

- Reducing the absolute pay gap through progressive action and the 40:40:20 target
- Monitoring the market-relative pay gap, which benchmarks employee pay against appropriate market benchmarks, and taking action to rectify any material variation between how females or males are positioned against the relevant benchmarks
- Monitoring the peer-relative pay gap, which compares the average female and male full-time fixed pay where the same role is occupied by at least three individuals from each gender, and taking action to rectify any instances where female and male pay varies significantly in these 'like-for-like' roles

Dexus's approach to achieving gender pay parity has been endorsed by WGEA. It is designed to progressively close the gender pay gap, provide assurance that the remuneration offered to employees is both 'fair' and 'equitable', and identify where there may be cases of conscious or unconscious bias in the application of our remuneration.

Other initiatives focused on supporting gender diversity include:

- **Girls in Property** – Dexus launched 'Building a Future in Property', a property career expo targeting women interested in working for the property industry alongside industry peers

- **Male Champions of Change** – Darren Steinberg, Dexus Chief Executive Officer, champions gender equity within the property industry as part of the Male Champions of Change program
- **Conferences and panels** – Encouraging gender balanced forums and panels for internal and external events, as well as encouraging Dexus's external partners, suppliers and conference organisers to adopt Dexus's approach

Supporting parents and carers

We provide paid parental leave for both primary and non-primary carers regardless of gender. All parental leave benefits exceed statutory minimums and are available to eligible employees regardless of whether they are also eligible for government-issued benefits.

We recognise the gender imbalance regarding traditional caring responsibilities and actively encourage male employees to access paid parental leave entitlements. We ensure continuity of superannuation throughout unpaid parental leave and provide a return-to-work program to supporting employees transitioning from parenting to work (both part-time and full-time).

Dexus employees also have access to Childspace, an initiative that offers priority of access to childcare spaces at over 90 Guardian Early Learning Centres nationally.

Flexible job design

We strive to create a work environment which encourages and promotes a healthy work-life balance and offers flexible working hours to support this. Our Flexible Work Policy enables employees to arrange flexible working arrangements with their manager. The policy seeks to increase personal wellbeing and employee engagement, improve team performance and motivation, maximise productivity and retain talent.

Underpinning our commitment to workplace gender equality are formal policies including Dexus's My Personal Flexibility Plan, which gives each employee the flexibility to choose their place of work that best supports their productivity, and records employees' flexibility goals in their individual annual performance scorecards.

Diversity networks, initiatives, events

We have established several networks and initiatives that embed inclusion across the organisation and recognise diversity in all its forms:

- The Dexus **TRIBE Network** is an employee-led group that celebrates LGBTI+¹ inclusion in the workplace, supporting Dexus's broader commitment to enabling psychological safety at work
- **NAIDOC Week** is recognised annually to remember and the history, culture and achievements of Aboriginal and Torres Strait Islander people
- Dexus participates in the **Share-A-Book program** where books are donated to indigenous, refugee and marginalised communities
- Dexus celebrates cultural diversity on **Harmony Day** which coincides with the United Nations International Day for the Elimination of Racial Discrimination

Human rights

Our Human Rights Policy outlines commitments to sustainable procurement, indigenous rights, equal opportunity and human rights legislation. Dexus reviews and monitors human rights against the policy internally and with key service providers and business partners. Pages 130–136 detail our approach to supply chain management, including upholding human rights and preventing modern slavery.

The Dexus People and Culture team use a human rights due diligence process including an identity and visa status check during the recruitment process. Any material issues such as a candidate's inability to evidence their right to work will lead to the abandonment of potential employment. All Dexus employees earn wages above Australian legal minimums and are free to associate and enter into collective bargaining agreements.

We uphold human rights in our workplace through:

- building an inclusive and diverse workplace that is free from discrimination, bullying and harassment, and that offers equal opportunity in career advancement
- providing leave entitlements and other benefits enabling employees to enjoy the right to family, recreation and work-life balance
- focusing on employee health and safety through risk management and wellbeing initiatives
- training employees so they can recognise the occurrence of discrimination, modern slavery, and other human rights abuses, and feel confident to speak up

Other focus areas identified by our People and Culture team in recent human rights assessments include:

- Addressing the gap in superannuation to women due to taking parental leave
- Reviewing policies and support systems available to employees suffering from domestic violence
- Providing services and support systems to employees experiencing mental health concerns

We conduct exit surveys for staff that leave the business. The surveys help Dexus determine whether organisational culture or human rights considerations contributed to an employee's departure.

3.5 Health and wellbeing

Safe & Well

Dexus established the Safe & Well program to support the mental, physical, financial and work wellbeing of our people. Safe & Well provides a breadth of resources, freely accessible to Dexus employees. These resources work alongside our partnership with Benestar (also known as the Employee Assistance Program), which offers counselling and coaching services to all employees and their families.

Safe & Well supports the mental wellbeing of our people through:

- Access to services and information from mental health groups
- Mindfulness tools
- Educational videos on resilience, managing stress for positive change, and maintaining mental health during a crisis

Safe & Well supports the physical wellbeing of our people through:

- Medical offerings such as flu vaccinations
- Health insurance offer with Medibank for savings on private health insurance (note that Dexus employees who are Australian citizens or permanent residents have access to healthcare through the Australian Government, regardless of whether they purchase private health insurance)
- Resources to support healthy movement and sleep patterns
- Access to discounts at participating gyms and fitness programs
- Nutrition advice and resources

Safe & Well supports the financial wellbeing of our people through:

- Learning modules about the pillars of financial foundations
- Wellbeing allowance of \$100 (pre-tax) added to all employee pay each month
- Gifting of Dexus securities through the Employee Share Ownership Plan (provides \$1,000 of Dexus securities every year to all full- and part-time permanent employees)
- Benefits associated with Dexus's preferred superannuation provider, MLC

Safe & Well supports the work wellbeing of our people through:

- Clarity in objectives and expectations, through our 3+1 approach to setting personal KPIs (page 117)
- Our check-in culture that promotes continuous feedback
- Connecting employees with each other across the business through social and networking events
- Collaboration systems that enable our people to work together effectively

Our employees also have access to the wellbeing products and services offered through Wellplace (page 126).

1. LGBTI+ stands for lesbian, gay, bisexual, transgender and intersex, with the + indicating inclusion of the complete diversity of sexual orientations and gender identities.

Maintaining a safe workspace

Our Work Health, Safety and Liability (WHS&L) Statement governs the health and safety of employees, investors, customers and the community at our properties. The Statement governs the development, management and monitoring of tailored WHS&L risk management systems, training of personnel, and designation of responsibilities and resources to meet program obligations. It also governs the group's Return to Work policy for injured employees, in addition to the monitoring, evaluating and reporting of our WHS&L performance. The key legislation governing WHS at Dexus is the *Work Health and Safety Act 2011* (Cth), supported by similar legislation that varies across the states where Dexus operates.

We implement a comprehensive workplace health and safety program that is certified under ISO 45001, an internationally applied standard for occupational health and safety management systems. Through this system, we comprehensively monitor the health and wellbeing of employees and manage solutions to prevent workplace incidents and occupational diseases.

Employee health and safety is supported by our Periskope risk management database, which contains information on WHS and property-related incidents and risk assessments, processes, manuals and audit information.

Upon inception and at least annually, employees are trained on Dexus's health and safety management system and the use of systems including Periskope. Employees are made aware of their roles and responsibilities regarding risk identification and reporting. Incident reports must be completed for all incidents within 24 hours or as soon as is reasonably practicable. If the incident involves a Dexus employee, it also must be reported to the Return to Work coordinator and the Risk team as soon as reasonably practicable.

We promote a 'no fault' culture to encourage employees to come forward with concerns and report incidents without fear of reprisals. The Dexus Whistleblower Policy and independent disclosure service are also available to Dexus employees who wish to raise concerns under the protections available to whistleblowers per Australian legislation.

Health and safety programs are subject to annual external audit and improvement plans are monitored by the Risk team and the Dexus Workplace Health, Safety and Environment (WHS&E) Committee. WHS risk management is also overseen by the Board Risk Committee and the Board.

To reinforce a risk aware culture that prioritises health and safety, we have embedded WHS into the Group Scorecard through a safety audit score and we maintain a standing target of zero fatalities.

Information on the applicability of our WHS&L Statement and program at our properties is provided at page 126 (customers, occupants, visitors) and page 136 (contractors).

Dexus Workplace Health, Safety & Environment Committee

The Dexus Workplace Health, Safety & Environment (WHS&E) Committee is open to all employees and functions to:

- Champion health, safety and environment initiatives in the workplace
- Ensure Dexus workers are represented in health and safety matters
- Facilitate co-operation in instigating, developing and carrying out measures to improve the health and safety of workers
- Assist in the ongoing development of safety standards, rules and procedures
- Consider and address findings from health and safety audits or monitoring reports

Ergonomics

An important component of our approach to ensuring a safe and healthy work environment is the provision of appropriate workstations and resolving any ergonomic issues that may arise. All employees complete an ergonomic self-assessment and develop an action plan (if required) with their manager. If an employee identifies an ergonomic hazard, it is to be reported to their manager who will report the issue to a WHS&E Committee representative, the Risk team or the People & Culture team. A WHS&E Committee representative can provide assistance completing a risk assessment and/or provide guidance in the use of the Dexus Workstation Arrangement guide and implement associated controls. Where appropriate we will engage an ergonomist to assist in this process.

To support remote working, our employees seeking to work outside of a Dexus corporate office location must complete a Flexible Working Hazard checklist. The checklist ensures that employees engaging in flexible or remote work are in a safe and appropriate environment. In addition to incorporating WHS training and an ergonomic self-assessment, the checklist evaluates the proposed working environment for electrical, fire, trip hazards, and other potential concerns. All checklists must be reviewed and signed off by the employee's manager.

Employee Work Health & Safety Training

We ensure all our employees are provided with adequate information, instruction and training to perform their job safely. All Dexus employees undertake the Dexus WHS&E induction upon commencement of employment. Our People and Culture team maintain a record of employee attendance and ensures that employees can access the Dexus Employee Handbook.

The WHS&E representatives, Risk team, and People and Culture team identify all additional WHS&E competencies for the organisation and assign training to employees as required. The People and Culture team assists our employees in maintaining a training plan that is documented in each employee's performance management process and reviewed twice per year. Additional WHS&E training responsibilities are assigned to employees with regard to:

- WHS&E competency requirements of existing policies and procedures
- WHS&E competency requirements of safe work practices
- Levels of risk associated with work roles
- Specific licensing requirements (if any)
- Any industry qualifications that may be required to carry out particular tasks

Thriving People evaluation framework

We use the principles of impact mapping to communicate how our sustainability approach activities lead to benefit for Dexus and our stakeholders. The outputs, outcomes and impacts in the impact map also serve as indicators for us to evaluate our performance and continuously enhance our approach. Several of the indicators are reported annually in our Annual Reporting Suite.

| Thriving People impact map | | | | |
|---|---|---|---|---|
| Activities | Outputs | Employee outcomes | Employee benefit | Dexus benefit |
| Employee engagement and performance | | | | |
| Employee listening strategy Performance management and role clarity Recognition, reward and benefits Activating the Dexus purpose | Employee confidence in role purpose Employee confidence in role goals/objectives Employee performance reviews Employee satisfaction with enabling systems and processes Participation in internal networking and events | Employees feel appropriately matched to their roles Enhanced employee satisfaction with their team and manager Employee trust in management Employees feel they have a pathway to advance at Dexus Employees build connections, friendships, networks at work | Increased employee satisfaction (NPS) Increased retention Improved sense of fulfillment at work | Reduced employee turnover costs and associated morale challenges Enhanced employee productivity |
| Learning and development | | | | |
| Management training Leadership training (including inclusive leadership) Culture training Technical/customer training | Number of employees participating per training activity | Enhanced employee skills in time management, managing people Improved self-awareness of development opportunities Enhanced capacity for influencing, negotiating, strategic problem solving Employee understanding of expected values and behaviours Enhanced understanding of customer needs | Increased employee satisfaction (NPS) Increased retention Improved sense of fulfillment at work Customer NPS Team NPS | Reduced employee turnover costs and associated morale challenges Enhanced employee productivity Increased customer retention Increased competitive advantage through enhanced capabilities |
| Inclusion and diversity | | | | |
| Policies and practices, including leave entitlements Flexible job design Supporting parents and carers Diversity networks, initiatives, events | More diversity in workforce Uptake of flexible working Use of parent/carer support offering Participation in diversity networks, initiatives and events | Enhanced employee sentiment regarding their own inclusion Enhanced employee sentiment regarding inclusion at Dexus Enhanced employee awareness of inclusion and diversity issues Minimised discrimination and harassment | Increased employee satisfaction (NPS) Increased retention Improved sense of fulfillment at work Customer NPS Team NPS | Reduced employee turnover costs and associated morale challenges Enhanced employee productivity Reduced risk of compliance breaches |
| Health and wellbeing | | | | |
| Safe & Well program | Employee uptake of flu vaccines, skin checks, and other offers Employee access to fresh food Crisis/stress management support Employee awareness of mental wellbeing tools Employee participation in fitness activities | Reduced incidents of flu, skin cancer Increased employee consumption of fresh food Improved employee physical fitness through sustained participation in fitness Enhanced employee confidence regarding mental health | Increased employee satisfaction (NPS) Reduced absenteeism Improved employee health and wellbeing metrics | Reduced employee turnover costs and associated morale challenges Enhanced employee productivity |

Future Enabled Customers and Strong Communities

Creating value through strong, enduring relationships with our customers, local communities and suppliers.

Dexus owns and manages a diverse Australian property portfolio including office, industrial, retail and healthcare properties, comprising more than 3,800 tenants (customers).

Our customers vary in size from small businesses to major corporate and government organisations including:

- Listed and privately held companies in the fields of banking, property management, insurance, legal, transport and logistics, retailing, telecommunications and mining
- State and federal government agencies that require minimum building performance standards
- Small to medium enterprises including accountants and consultants
- Major supermarkets and department stores
- Media and entertainment cinema operators
- Small independent retailers, cafes and restaurants

Focus areas for our Future Enabled Customers approach include:

- **Customer workspace and professional services** – providing a seamless, efficient customer experience that maximises customer satisfaction with their workspace and with property management
- **Networking and customer connection** – facilitating connections within customer communities through networking events, exclusive offers from retailers, and charity activations
- **Occupant health, safety and wellbeing** – prioritising health and safety at our properties, engaging with customers about healthy and safe workplaces, and connecting customers with products and services that support their wellbeing
- **Customer environmental sustainability** – collaborating with customers to understand how we can assist them to meet their sustainability aspirations through resource efficiency, green leasing and workforce engagement

The boundary for our approach encompasses all customers within the Dexus group portfolio, with impacts felt across their businesses and their employees.

4.1 Future Enabled Customers management framework

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objectives of Future Enabled Customers and Strong Communities. Insight into the relevant management structure and policy framework is provided below.

Future Enabled Customers management framework

Dexus Board (Board)

Oversight and approval of targets and general strategies for customer experience

Board ESG Committee

Oversight of customer experience initiatives as part of the Dexus Sustainability Approach, including review of customer complaints

Group Management Committee (GMC)

Ultimate responsibility for alignment of customer experience and community contribution activities with Dexus's strategy

Property Executive Committee

Management committee with responsibility for overall guidance of effective property management

Delivery functions

Customer | Office Project Management Group | Office Development (including City Retail) | Office and Industrial Property Management | Sponsorship and Events | Marketing | Sustainability | Risk | Compliance | Retail Operations and Development | Building Technology

Focus areas

The Dexus experience customer strategy

- Customer service
- Customer engagement and satisfaction
- Concierge service
- Customer products and services
- Property community portals
- Customer amenities including end-of-trip facilities and wellness rooms
- Dexus Response Centre
- Dexus Place, SuiteX
- Health and wellbeing services

Active property management

- Green leasing
- Wellplace
- Occupant health and safety
- Property risk management
- Property environmental ratings
- Environmental management system
- Continuous improvement targets
- Flexible space
- Community Managers

Building technology

- Smart Building Blueprint
- Connectivity
- Portfolio standardisation
- Procurement
- Big Data
- Predictive analytics
- Building automation
- Cyber security
- Resilient buildings

Policies and commitments

Work Health, Safety and Liability Statement | Corporate Responsibility Community | Complaints Policy
Dexus Customer Promise

Our approach to building technology

Dexus's approach to building technology seeks to digitally enable our buildings to maximise value for all stakeholders and establish Dexus as a leader in implementing proptech (property technology). Technology can maximise value through managing risk, reducing costs and increasing revenues. It can also enhance the health and wellbeing of customers as well as their overall experience with the building, while reducing energy consumption and impact on the environment. Meeting these objectives necessitates an approach that avoids gimmicks and directs investment into scalable solutions that can deliver value across our portfolio.

Dexus's Building Technology Team leads the delivery of our Building Technology Strategy and Smart Building Blueprint. Dexus's cross-functional Smart Building Collaboration Team combines internal expertise with contributions from external partners including consultants, suppliers, and industry groups to ensure a consistent, holistic approach to technology deployment across our assets.

The motivation, value drivers, strategic outcomes, and priority enablers of our Building Technology Strategy are summarised in the table below.

| Dexus Building Technology Strategy | |
|---|---|
| Vision: "Digitally enable our buildings to maximise value for all stakeholders" | |
| Motivation <ul style="list-style-type: none"> – Digitisation of products and services – Technology explosion and rate of change – New opportunities – Customer demand – Real estate transformation and disruption | Value drivers and strategic outcomes |
| | Revenue <ul style="list-style-type: none"> – Customer experience and brand to attract and retain customers – Catalogue of customer proptech services – Fulfil increasing customer demands |
| | Cost <ul style="list-style-type: none"> – Fewer people required to run our buildings – Increased energy efficiency – Data driven maintenance and decisions – Remote and centralised operations |
| Priority enablers <ul style="list-style-type: none"> – Premium connectivity – Portfolio standardisation – Portfolio-scale procurement – Cyber security framework for buildings – Resilient buildings | Risk <ul style="list-style-type: none"> – Support Dexus's 2025 and 2030 environmental targets – Cyber risk (in buildings) reduced – Adaptable and resilient buildings |

Dexus has deployed its Smart Building Blueprint at select sites across the portfolio and continues to refine the blueprint through research and stakeholder feedback. Some technologies delivered through the blueprint include:

- Premium in-building mobile phone connectivity
- Frictionless, touchless access management, cardless visitor management, digital concierge
- Occupancy sensors with real time people tracking

Building technology supports the delivery of the Dexus Sustainability Approach through enabling emissions reductions, healthy indoor environments, and building resilience. Some key areas where building technology overlaps with sustainability include:

- Building management system functionality analysis to identify low cost, high value opportunities for enhancing energy efficiency
- Technology audits to support life cycle analysis and upgrade forecasting
- Digital layering of buildings, mobility services, public realm, and infrastructure information to inform precinct-level design opportunities at the concept phase of development projects
- Facilitating healthy buildings through CO2 removal and meeting room air treatment
- Real time occupancy counting to maintain occupant health and safety
- Platforms for enabling peer-to-peer energy trading and the integration of embedded networks, battery storage and electric vehicles at the appropriate time (as considered in Dexus's *Towards Climate Resilience* report)

Our Customer Promise

Our aspiration is to build the world's best office platform, renowned for customer centricity and consistently outperforming industry benchmarks. Our Customer Promise drives the way in which we operate and contributes to our goal of being a workspace partner of choice.

We know that our customers are more likely to be satisfied when we listen to their concerns and address their needs. Our customer-centric approach is underpinned by our Customer Promise to:

- Listen, understand and respond to customer needs
- Make things 'simple and easy'
- Innovate to enrich the customer experience

We take an active leasing approach to drive portfolio performance and reduce forward lease expiry. Our 'simple and easy' lease is designed to simplify negotiations and adopts a common-sense approach centred on creating a partnership with our customers in the execution of the lease. Our portfolio-wide approach to forward leasing provides flexibility to accommodate customers' needs within the group portfolio, enhancing customer retention and minimising downtime.

We value our customers' opinions and actively engage to assess customer satisfaction levels, gather feedback on our performance, and gain insights to drive innovation.

We have conducted annual customer surveys since 2013 to understand customer sentiment, drive improvements, and monitor the impact of initiatives. In addition, we invest in a Mystery Shopper program that looks at performance across key public areas to anonymously assess performance across:

- External appearance including façade, entrances and lobbies, and car parks
- Interior areas such in lobbies, foyers, seating areas and elevators
- Interaction with concierge, security and cleaning personnel
- Property facilities including end of trip, bathrooms, and retail tenancies

Detailed insights are gathered which provide valuable, independent feedback to facilities management on the day-to-day experience our customers receive.

4.2 Customer workspace and professional services

Dexus's product and service offering aims to provide a seamless, efficient customer experience that maximises customer satisfaction with their workspace and with property management. We understand that when our customers are satisfied, they are more likely to renew their lease with us for longer periods and refer us to their peers.

Listening to our customers, we have curated a range of services that are carefully designed to satisfy the everyday needs and enhance the experience of the people who work in our properties. The services we provide are grouped into the four key pillars of Wellbeing, Convenience, Community and Sustainability.

- **Wellbeing:** Offering services and amenities that promote the health and wellbeing of customers through quality end-of-trip facilities, yoga, Pilates and fitness classes
- **Convenience:** Delivering a convenient work experience through five-star concierge, priority access to childcare, transport solutions, simple and easy leases, and access to Dexus Place, a tailored extension of our customers' work environment that includes meeting, training and conference facilities and bespoke event space supported by state-of-the-art technology
- **Community:** Creating customer communities through activations in our office foyers, onsite retailers and online property portals providing workplace news and information, events and retail offerings
- **Sustainability:** Working with our customers to achieve energy, water and waste efficiencies for their tenancies along with sustainable fit-out designs

Key activities include:

- **Customer Support Centre** – operational 24 hours a day, 7 days a week for customers to raise and track service requests, view and update account details, retrieve lease correspondence, and access itemised invoices and tenancy payments
- **Project Delivery Group** – Dexus's in-house service that offers customers project management and capital works delivery for office fit-outs
- **Security services** – security personnel to facilitate safe building operation, visitor management, and after-hours access
- **Concierge services** – five-star concierge service that provides onsite assistance to customers, occupants, and visitors
- **Mobility services** – car sharing and car parking solutions provided through GoGet and Divvy
- **Flexible space arrangements** – offerings such as **Dexus Place** (in most major Australian cities), which provides offsite workspaces and telepresence immersive conferencing experience, as well as **SuiteX**, which provides pre-fit spaces for short term leases that provide flexibility for evolving businesses
- **Speculative suite** – provides bespoke feel pre-fit spaces for small businesses who normally would not have access to premium office towers
- **National leasing team** – our leasing team works across Australia and takes a portfolio-wide approach to ensure that we can accommodate customers' needs in the group portfolio as they grow and change
- **Six Ideas by Dexus** – our strategic workplace and change management consulting service, helping customers to align their workplaces with organisational goals and strategy

Parenting support

Dexus recognises the need to ensure a seamless connection between navigating the tribulations of parenthood and work in order to help our customers thrive. We provide our customers access to services that help families create the work-life balance that works best for them:

- **Access to childcare** – by partnering with Guardian Early Learning Group, we can offer customers priority access to high-quality childcare across the network of Guardian Centres
- **Vacation care** – we have partnered with Guardian to provide a fun and dynamic vacation care program for customers in Dexus buildings located in the Brisbane CBD

4.3 Networking and customer connection

Every Dexus office property is a community of hundreds, sometimes thousands of individuals. As a landlord, we can support the customer experience by facilitating connections within property communities through networking events, exclusive offers from retailers, and charity activations. We know that when individuals feel connected to others and to their workspace, that they look forward to coming into work and are more engaged, which has a positive impact on our customers' businesses.

We facilitate networking and community connection within many of our office buildings through:

- **Online building portal** – a platform to inform customers of important information happening within the property, including events, activations, and safe initiatives
- **Events and activations** – a curated program of networking events, wellbeing activations, and holiday celebrations that create community cohesion and enhance customer experience
- **Retail offerings, partnerships and promotions** – exclusive offers that connect Dexus customers to each other, and provide them with the services and products that they need

4.4 Occupant health, safety and wellbeing

We seek to be a market leader when it comes to the safety of our properties, including the prevention of physical harm, stopping the spread of disease, and providing healthy workplace environments.

Maintaining safe buildings for customers, occupants and visitors

All Dexus-managed properties are covered by a safety management system that is certified against ISO 45001 to address work health, safety and liability property risks.

Hazards and risks are assessed through a range of mechanisms including regular inspections, third party audits, and ongoing communication with customers, facility managers, and other stakeholders. Base building inspections are required on a monthly basis for retail and office assets. For industrial assets, base building inspections are to be completed at least every six months where the asset has five or more tenants, at least annually if fewer than five tenants. Inspections cover general housekeeping, fire and emergency, first aid, electrical, hazardous chemicals, exhaust system maintenance, stairs steps and landing, amenities, building maintenance, lifts escalators and travelators, car park, loading docks, cooling towers, and aluminium composite panel operational mitigation strategies where applicable. Where hazards are found, corrective actions are established and logged in Dexus's risk management system (Periskope) to be tracked until completion.

Customer involvement is critical for ensuring a safe and productive workplace environment. Dexus engages with customers to identify, assess and mitigate workplace hazards/impacts, review risk processes, introduce or change monitoring procedures and propose changes to premises, work systems, plant or substances used.

Wellplace

Through Wellplace, our customers have access to a suite of health and wellbeing services, offerings and amenities within their properties and via online building portals. Wellplace makes it possible for customers of all sizes to offer their employees the same services that have often only been available for large organisations. This includes integrating fitness into office life by providing quality end-of-trip facilities, including bicycle storage and group fitness, yoga and Pilates classes.

We apply the following structure to our Wellplace offer:

| Wellplace | | |
|---|---|--|
| Goal: Healthy, enriched, productive customer communities | | |
| Founding Pillars | Key areas of focus | Implementation pathways |
| <ul style="list-style-type: none"> Global health trends Property industry trends Public health research Customer feedback Stakeholder consultation | <ul style="list-style-type: none"> Mind Body Nutrition Community Environment | <ul style="list-style-type: none"> Community engagement Education and awareness Onsite initiatives Industry partnerships Amenities and design |

Examples of services that customers can access through Wellplace include:

- **Nutritionists** – through partnerships with trained nutritionists, we offer our customers exclusive discounts to healthy offerings
- **Wellness studios** – studios across several properties provide onsite yoga, Pilates and boot camp classes
- **Fitness classes (discounted)** – through collaborations with Urban flow wellness classes, Liveloo bike rental, and F45, our customers can access fitness opportunities with discounted prices
- **End-of-trip facilities** – facilities that make it easier for our customers to support the lifestyles they want by providing clean and hygienic changing, showering, and bathroom facilities on site
- **Workspace indoor environmental quality** – maintaining a healthy indoor environment to positively impact occupant health and wellbeing, and ultimately on customer productivity and satisfaction

The Dexus Work Health Safety & Liability Manual contains detailed instructions on hazard and incident reporting, including key steps to be taken by stakeholders for each type of hazard or incident. Certain incidents must be escalated to Dexus senior management and to the relevant regulator depending on the nature of the incident, as specified in the manual. Dexus senior management provides a quarterly report to the Board Risk Committee with an update on incidents and injuries at Dexus assets (including Dexus corporate workplaces).

Healthy buildings – indoor environmental quality

We believe we have an important role in enhancing the health and wellbeing of our customers by providing a healthy physical environment. We recognise industry trends towards healthy living and evidence-based research demonstrating the costs of ill-health to corporate productivity. We have listened to our customers that have identified health and wellbeing as the highest importance to them and their business. Embracing wellness enables us to attract and retain high quality customers and maximise financial performance through high occupancy rates and the ability to set rents that take into account the delivery of products and services across our portfolio.

We actively manage property accessibility, indoor environment (internal temperature, humidity and air quality), acoustics, access to natural light, and overall performance to create comfortable indoor working environments that maximise health and productivity.

At select developments, we elect to obtain WELL Certification to further enhance a property's health and wellbeing performance.

4.5 Customer environmental sustainability

We actively manage the environmental performance of our properties and target continuous improvement to reduce energy consumption, water use, and carbon emissions, as well as provide optimal working environments. This assists our customers in meeting their own sustainability objectives and priorities by providing workplaces that are designed and operate to the highest sustainability standards. Customers directly benefit via reduced costs from resource consumption efficiencies and productivity improvements from healthier working environments.

We selectively rate new developments against the Green Building Council of Australia's (GBCA) Green Star Design & As Built rating tool and continue to present Green Star opportunities to all pre-lease construction opportunities.

Operational performance is benchmarked using NABERS Energy and Water ratings and Green Star Performance ratings. Specialist systems support the identification and rectification of issues in building mechanical systems to help maintain optimal property performance.

Resource efficiency and net zero emissions

As part of Dexus's ambition to achieve net zero emissions and source 100% renewable energy by 2030, all Dexus-managed properties are on a trajectory to a net zero position for base building services. We are also committed to working with customers to reduce the emissions from customer-controlled spaces by 25% by 2030.

To sustain continuous improvements in energy and water efficiency across the group property portfolio, we use smart meters to validate utility bills, identify consumption and report anomalies. Energy and water sub-metering has been installed in key office properties to deliver incremental efficiencies.

We engage with customers on sustainability upgrades in properties and how they can achieve efficiencies in their tenancies. We collaborate with customers to improve their sustainability performance and awareness through initiatives such as City Switch, a national tenant energy efficiency program. We are both a signatory and a landlord within the program.

We aim to drive improvements in customers' energy efficiency through green building committees and other programs. These programs include involvement in the annual Earth Hour campaign and the NABERS Energy and Water ratings.

We undertake initiatives to receive regular, open feedback from our customers. Customer feedback helps to determine the important sustainability issues that keep property performance on the right track.

Reducing fit-out waste

We provide fit-out guides that encourage the use of sustainable products and whole-life costings, which enable customers to understand how reuse and recycling can positively impact costs and carbon emissions. More information on our approach to reducing fit-out waste is provided on page 143.

Green leasing

We play a leading role in developing the Better Building Partnership (BBP) and were instrumental in designing and communicating its green leasing standard and Gold Lease badge which defines a best practice approach for property owners and occupants to collaborate on sustainability initiatives, encourages information sharing and cooperation and removes barriers to implementing mutually agreed improvements over time.

The green leasing standard is a world-first, aimed at helping property owners and occupants to benchmark their agreements against others and save on power and water bills. Dexus's simple and easy lease is Gold Lease rated under the BBP leasing standard, which is the highest level available. This enables an active partnership between Dexus and our customers and seeks to deliver better environmental outcomes and reduce outgoings.

4.6 Future Enabled Customers evaluation framework

Dexus uses the below impact map to communicate and evaluate the expected outcomes and impacts of its Future Enabled Customer activities.

| Future Enabled Customers impact map | | | | |
|--|---|--|---|--|
| Activities | Outputs | Customer outcomes | Customer benefit | Dexus benefit |
| Customer workspace and professional services | | | | |
| Dexus Response Centre Project Delivery Group Security services Concierge services Mobility services Six Ideas Dexus Place Speculative suite National leasing team Parenting support | Improved customer and customer workforce access to products/services Reduced customer business downtime Facilitated customer expansions to new space/markets Improvements to customer workspace Improved navigation for guests and visitor experience | Customer satisfaction with workspace, overall property, and property management Reduced customer operating costs | Increased customer likelihood to renew Enhanced customer capabilities, productivity Strengthened customer capabilities and workforce engagement, enhancing customer productivity | Increased customer renewals Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams Expand reach of Dexus platform to non-customers |
| Networking and customer connection | | | | |
| Online building portal Events and activations Onsite retail offerings, partnerships and promotions | Improved customer and customer workforce access to products/services Customer participation in events, activations, portal Increased exposure for retailer customers | Customer satisfaction with property Enhanced networks among customers and their workforces Enhanced customer workforce engagement, talent attraction and retention | Increased customer likelihood to renew Enhanced customer capabilities, productivity Strengthened customer capabilities and workforce engagement, enhancing customer productivity | Increased customer renewals Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams |
| Health, safety and wellbeing | | | | |
| Wellplace End-of-trip facilities Workspace indoor environmental quality Maintaining building safety | Improved customer and customer workforce access to products/services Customer workforce awareness of wellbeing information Increased customer workforce active transport, participation in health and wellbeing activities Customers have high quality indoor environments | Customer satisfaction with workspace, overall property, and property management Enhanced networks among customers and their workforces Enhanced customer workforce engagement, talent attraction and retention Enhanced occupant health and wellbeing | Increased customer likelihood to renew Enhanced customer capabilities and workforce engagement, productivity Strengthened customer capabilities and workforce engagement, enhancing customer productivity | Increased customer renewals Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams Expand reach of Dexus platform to non-customers Sustain Premium grade office buildings |
| Customer environmental sustainability | | | | |
| Resource efficiency Reducing fit-out waste Green leasing | Reduced emissions from customer space Customer space uses less energy Customer space uses less water Customers have less total waste, send less to landfill Uptake of green leases | Reduced customer operating cost Enhanced customer workforce engagement, talent attraction and retention Facilitate customers' own environmental objectives | Increased customer likelihood to renew Strengthened customer capabilities and workforce engagement, enhancing customer productivity | Increased customer renewals Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams Expand reach of Dexus platform to non-customers NABERS and Green Star Performance ratings |

4.7 Strong Communities

We also interact with the broader community where we operate. Our most material community-related issues are:

- **Health, safety and security:** we have a duty of care to ensure our properties are safe and deliver healthy environments. We promote health and wellbeing through community programs and activities and in the design of spaces
- **Economic impact on local communities:** we are a major stakeholder in the communities where we operate, and contribute to local communities via corporate giving, community collaborations and partnerships, providing local employment opportunities both through development construction and through the occupation by customers of our property, and delivering community infrastructure including creating spaces where the community can interact

The boundary for our approach encompasses charitable activities for not-for-profit partners and communities surrounding the properties within the Dexus group portfolio.

Strong Communities management framework

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objective of Strong Communities. The table below provides insight into the relevant management structure and policy framework.

| Customers and community management framework | | |
|---|---|---|
| Dexus Board (Board) | | |
| Oversight and approval of targets and general strategies for customer experience and community contribution | | |
| Board ESG Committee | | |
| Oversight of the implementation and management of sustainability/ESG practices and initiatives throughout Dexus, including social impact and community contribution | | |
| Group Management Committee (GMC) | | |
| Ultimate responsibility for alignment of customer experience and community contribution activities with Dexus's strategy | | |
| Group ESG Committee | | |
| Management committee overseeing the integration of social impact initiatives into the Dexus Sustainability Approach | | |
| Social Impact Working Group | | |
| Management working group implementing community contribution and social enterprise strategy | | |
| Delivery functions | | |
| Office and Industrial Property Management Retail Operations and Development | | |
| Sponsorship and Events Marketing Sustainability | | |
| Focus areas | | |
| Corporate philanthropy | Activations and partnerships | Employee volunteering |
| <ul style="list-style-type: none"> – Charitable giving – Event sponsorships – Disaster relief – Dollar matching of employee donations | <ul style="list-style-type: none"> – Gifting the use of Dexus assets for charitable causes – Partnering with local authorities – Community activations | <ul style="list-style-type: none"> – Volunteering leave – Team volunteering – Connecting employees with causes of interest |

Local community contribution and engagement at our operational assets is focused on ensuring properties support the prosperity, cohesion and wellbeing of the communities in which they are located. Each year we set, review and update corporate commitments within our responsible investment framework following input from our stakeholders. Refer to our annual performance reporting for details on commitments and progress against community priorities.

This section describes local community contribution and engagement at our operational assets. Dexus also consults with the community on new developments and refurbishments to address community concerns, and to incorporate features that benefit customers and the community. Refer to page 115 for more information on local community engagement at development sites.

Corporate philanthropy

We aim to align our philanthropic activities with the interests of our people and the communities where we operate. This strategic alignment ensures a targeted approach that helps affirm Dexus's social licence to operate and engages our workforce in delivering our purpose.

Over the years, we have supported charities focused on health, homelessness, and hunger. Key charity partners have included Sydney Children's Hospital Foundation, Property Industry Foundation, Children's Cancer Institute, and Foodbank. Dexus hosts the Dexus Diamond Week each year in support of Sydney Children's Hospital Foundation and their Diamond Event fundraiser.

We also support causes that are important to our people, by matching the value of donations made by employees in their personal capacity to select causes. Recent dollar matching initiatives have supported disaster relief, the Leukemia Foundation, and the Chris O'Brien Lifehouse.

Employee volunteering

We provide our employees with one day of paid volunteering leave per year, to enable them to contribute their time to a charity of their choice. We also encourage teams to volunteer together to both support community causes and build team cohesion. Examples of team volunteering activities have included bush care, preparing meals for families at shelters, and assisting with larger fundraising events.

Activations and partnerships

A key component of Dexus's community contribution comes from the use of our assets for community causes. Dexus-managed retail centres act as community hubs, and leverage relationships within their local catchments to deliver fundraising events that support local causes.

Key areas of contribution include:

- **Use of Dexus retail space or office lobby space** (at no charge) by community organisations seeking to fundraise or enhance awareness of their cause
- **Activating public spaces**, creating vibrant spaces and experiences, using placemaking to bring the community together
- **Working with local authorities and the community** to proactively maintain safe precincts; retail centre management works with at-risk youth through local youth groups and schools to promote safer communities
- **Connections with other local organisations** such as local councils, chambers of commerce and industry groups on community issues

Evaluating outcomes and benefits

Dexus regularly reviews its community engagement strategy and maintains regular contact with charity partners. We use the following key performance indicators to measure the outputs and impacts of our community engagement program.

| Community contribution objective | Outputs | Impacts |
|--------------------------------------|---|---|
| Corporate giving philanthropy | <ul style="list-style-type: none"> – Financial value of cash donations to charitable and community organisations | <ul style="list-style-type: none"> – Direct support for community issues – Enhanced reputation among communities |
| Activations and partnerships | <ul style="list-style-type: none"> – Financial value of space provided for use by charitable and community organisations – Financial value of use of awareness-raising tools such as online portals and lift screens for charitable and community organisations | <ul style="list-style-type: none"> – Enhanced connections between our customers and local communities – Support for community issues by providing access to customers |
| Employee volunteering | <ul style="list-style-type: none"> – Total community volunteering hours and percentage participation of all Dexus employees | <ul style="list-style-type: none"> – Enhanced employee engagement and wellbeing – Enhanced connections between our employees and community organisations |

4.8 Supply chain

Dexus partners with suppliers to achieve operational efficiencies, enhance customer amenity and positive environmental outcomes. We develop long-term partnerships that address sustainability impacts and create shared value. We recognise the central role that suppliers play in optimising asset performance, managing risk and delivering customer amenity.

Material issues and other focus areas that relate to our supply chain include:

- **Human rights:** Sourcing products and services from suppliers that uphold human rights and acceptable labour standards by rejecting child and forced labour and offering acceptable conditions and wages for workers. We are committed to sustainable procurement, indigenous rights, equal opportunity and complying with all applicable legislation
- **Anti-competitive behaviour:** Ensuring that business dealings promote a competitive marketplace and are free of activities such as collusion, bribery, corruption, price-fixing and standover tactics
- **Local suppliers:** Working with suppliers to support local businesses and communities and provide quality service delivery. We choose from a mix of local and national suppliers using service delivery as the primary criteria. We seek to engage with local suppliers to reduce transportation costs, provide reliable solutions for critical services and to support the communities where we operate
- **Sustainable partnerships:** Creating partnerships that go beyond simple client-supplier relationships to establish deep understanding of each other's business drivers and create long-lasting opportunities.

The boundary for these issues encompasses all Tier 1 suppliers across our group property portfolio with social impacts felt across Dexus, our suppliers, their employees and upstream suppliers, as well as environment impacts.

Supply chain composition

Dexus's supply chain encompasses a diverse range of products and services which are grouped into procurement categories. Dexus defines a critical supplier as one whose services are required daily for the normal operation of a building. Critical suppliers are retained on a centralised Preferred Supplier List. Dexus applies a high-level assessment of inherent supply chain sustainability risk for each spend category.

Dexus classifies its suppliers as follows:

- **Critical** – suppliers on Dexus's Preferred Supplier List, as well as areas with a high spend and/or a high potential supply chain sustainability impact
- **Secure** – representing areas with a lower comparative spend and representing potential sustainability impacts and should be prioritised
- **Cost driven** – representing lower potential sustainability impacts and high spend

Dexus's main procurement categories

| Procurement category | Classification | Inherent sustainability risk | | |
|--|----------------|------------------------------|--------|----------|
| | | Environmental | Social | Economic |
| Building operations | | | | |
| Cleaning and waste management | Critical | ✓ | ✓ | ✓ |
| Facility managers | Secure | | ✓ | ✓ |
| Energy | Critical | ✓ | | ✓ |
| Water | Secure | ✓ | | |
| Security | Critical | | ✓ | ✓ |
| Electrical, mechanical, hydraulic | Secure | | ✓ | ✓ |
| Lifts | Cost driven | | ✓ | ✓ |
| Capital works | Critical | ✓ | ✓ | ✓ |
| Fire protection | Secure | | ✓ | |
| Statutory fees and non-controllable expenses | Cost driven | | | ✓ |
| Landscaping | Secure | ✓ | | |
| Developments | | | | |
| Developers and builders | Critical | ✓ | ✓ | ✓ |
| Façade materials | Critical | ✓ | ✓ | ✓ |
| Building materials locally sourced | Cost driven | | ✓ | |
| Building materials internationally sourced | Critical | ✓ | ✓ | |
| Corporate | | | | |
| IT | Critical | ✓ | | ✓ |
| Events and conferences | Secure | | ✓ | |
| Merchandise and promotions | Critical | ✓ | ✓ | |

Supply chain management framework

We adopt a long-term approach to managing and maintaining supplier relationships through a robust set of business procedures which guide supplier screening, selection and engagement. A suite of policies, principles and performance standards underpin our supply chain approach. The table below outlines our governance structure and approach to supply chain management.

| Supply chain management framework | | |
|--|---|--|
| Dexus Board (Board) | | |
| Responsibility for approving and overseeing compliance with supply chain policies and statutory disclosures | | |
| Board Risk Committee | Board ESG Committee | |
| Responsibility for reviewing and overseeing incorporation of suppliers into Dexus risk and compliance frameworks | Oversight of Dexus’s approach to managing modern slavery risk in its supply chain | |
| Group Management Committee (GMC) | | |
| Oversight of Dexus’s procurement framework and coordinating its application across the group | | |
| Property Executive Committee | Group ESG Committee | |
| Responsibility for oversight of property-level projects and work health and safety issues, including where projects and issues involve suppliers | Management committee overseeing the management of modern slavery risk and other ESG considerations in Dexus's supply chain | |
| | Modern Slavery working group | |
| | | Cross-functional management committee with responsibility for coordinating activities to address modern slavery risk and incidents in Dexus's supply chain |
| Sustainability team | Governance, Risk and Compliance teams | Dexus/CBRE Facilities management teams |
| <ul style="list-style-type: none">– Modern slavery reporting– Supplier assessment and engagement on modern slavery– Supplier spend analysis and overall risk assessments | <ul style="list-style-type: none">– Oversight of modern slavery policies and procedures– Providing training to Dexus people about modern slavery– Monitoring compliance– Investigating whistleblower matters and other grievances | <ul style="list-style-type: none">– Operational procurement– Supplier due diligence– Supplier contractual monitoring |
| Policies | | |
| Supplier Code of Conduct Sustainable Procurement Tendering Human Rights Environment | | |
| Work Health Safety & Liability Fraud, Corruption and Bribery (Prevention and Awareness) | | |
| Conflicts of Interest Development & Construction Dexus Operating Limits Embargo | | |
| Implementation practices | | |
| Procurement | Supplier monitoring | |
| <ul style="list-style-type: none">– Business procedures for procurement– Category standards, minimum requirements and weightings– Risk and opportunity assessment– Supplier engagement– Pre-qualification process– Tendering process– Preferred supplier panel | <ul style="list-style-type: none">– Rapid Induct contractor management system– In-house property risk management system– Project Control Group meetings and reports– Spend analysis– Supplier self-assessments– Contractor spot checks and corrective action plans– Evaluation against contract KPIs and SLAs | |

Our Sustainable Procurement Framework helps minimise potential impacts from our upstream supply chain. Sustainable procurement is built into all supplier engagements through requiring supplier compliance with the policies listed in the table above. Refer to our website at www.dexus.com for publicly available policies.

An internal Embargo Policy outlines our approach to managing contractors and service providers that do not meet our performance standards. It identifies the circumstances in which a contractor or service provider will be placed on the embargo list. Should we determine to place a supplier on the embargo list, we will not engage with that contractor or service provider until the issues of concern have been appropriately addressed. The embargo list is updated on an ongoing basis.

As a signatory to the United Nations Global Compact and the United Nations-supported Principles of Responsible Investment (PRI), we manage our supply chain to account for human rights, environmental, social and economic factors in its purchasing decisions.

Supply chain objectives

We aspire to and dedicate focus towards using our aggregate spend to positively influence our suppliers, contractors, products, services and workers. We take a long-term view to partner with our suppliers to achieve quality service by:

- Fostering a 'no harm' safe workplace with zero fatalities target, and establishing robust safety compliance systems
- Monitoring performance through regular engagement, reporting against contract key performance indicators and supported by regular contractor spot checks for service providers at each Dexus managed property
- Engaging with suppliers through self-assessments to gain a comprehensive insight into their relationship with us through 360-degree feedback, how they manage their own sustainability risks and those for their most significant suppliers

In addition, we seek to collaborate with suppliers to address human rights and modern slavery risks across our supply chain, through enhanced due diligence, risk profiling and supported by assessments.

We rationalise suppliers where possible by identifying partners that can best meet our needs and optimise their engagement across our portfolio. This leads to fewer suppliers and closer relationships with our business and a greater alignment of interest. It also presents a greater opportunity to embed our sustainability approach with suppliers.

General supply chain management priorities

Our corporate supply chain goals are to:

- Maintain an efficient procurement process operating under sound governance that achieves the best value for money, meets business requirements and delivers financial and sustainability outcomes based on a whole-of-life costing
- Identify key risks and opportunities particularly in high value, high impact contracts and improve the overall impacts of the products and services we procure
- Mandate that suppliers abide by all minimum standards and laws in the countries in which they operate
- Maintain safe workplaces in line with our goal for ‘no harm’, safe work environments with zero fatalities
- Treat suppliers and contractors fairly, with respect and dignity demonstrating probity, equity and transparency
- Continue to develop and manage relationships with suppliers and contractors to encourage them to promote a best practice approach to employment practices, social outcomes and the environment
- Challenge suppliers to deliver tangible, innovative and sustainable solutions that deliver mutually beneficial outcomes
- Continue to assess each contract’s merits against a set of sustainability principles and ensure environmental and social impacts are assessed in line with our policies and objectives, emerging best practice and industry standards
- Ensure prospective and new suppliers understand sustainability-related contract criteria and requirements
- Mandate that all suppliers acknowledge and abide by the Dexus Supplier Code of Conduct
- Maintain sustainable procurement capability by engaging and upskilling employees and implementing sustainable procurement training for procurement and contract managers

- Collaborate with suppliers and seek feedback as part of contract management
- Where appropriate, increase the purchase of products that support community base charities, are carbon neutral or have a lower carbon footprint, are more efficient or meet internationally recognised sustainability performance standards
- Where appropriate, partner or encourage supplier participation in community engagement and with our philanthropic activities

Understanding supply chain sustainability risk exposure

We conduct a periodic group-wide supply chain sustainability risk assessment to identify and categorise the supply chain risks relevant to our geographical operations and the types of products and services it procures.

The assessment involves the following staged process to assess the most relevant supply chain issues.

1. Contextual ESG factors are reviewed against emerging trends and issues. These are mapped against our procurement categories to identify the inherent ESG risks that may apply to Dexus
2. Supplier categories with significant inherent risk are analysed against our material ESG issues to assess each in terms of their relevant inherent risk
3. Inherent risk hotspots are evaluated and ranked within a matrix according to their level of inherent risk

The outcome of the risk assessment is a risk matrix of sustainability risk exposures across each of our major supply chain categories. The matrix informs procurement processes and sustainability ambitions, including specification of requirements, and questions during tendering and the screening of suppliers.

In addition, the matrix is referenced for establishing contract key performance indicators (KPIs) and the adoption of best practice sustainability management and monitoring over the lifecycle of the project.

We conduct an annual supplier spend analysis to prioritise a list of suppliers based on the category-level assessment. Together, the supplier spend analysis and supplier category risk assessment direct ongoing engagement with suppliers through due diligence and verification activities (monitoring and engagement).

Supply chain risk management process

1. Establishing context

External drivers

e.g. legislation, regulation, and societal sentiment

Internal drivers

e.g. sustainability approach, risk management framework, code of conduct, and spend analysis

2. Risk assessment

Lifecycle of a project

Due diligence and assessment actions

Risk Identification

Based on contextual factors e.g. country of origin, skill requirements, use of hazardous materials or substances

Risk analysis

Mapped against Dexus material ESG issues
Review against supplier spend analysis

Risk evaluation

Procurement categories ranked by inherent risk rating
Material issue hotspots mapped by procurement category

3. Risk treatment

Supply chain engagement and monitoring informed by risk rating

e.g. contract KPIs/SLAs, performance meetings, supplier self-assessment

Managing supply chain across the lifecycle of a project

Our staged procurement and contract management process optimises performance and supplier service levels, manages risk, maintains symbiotic supplier relationships and realise shared value. The overall risk rating for the procurement category and spend details the extent to which due diligence and supplier monitoring is undertaken. The table below details key aspects of this process with reference to supplier engagement over a project lifecycle.

| Project stage | Due diligence actions | Assessment actions |
|---|---|---|
| 0. Supply chain sustainability risk assessment and spend analysis | | <ul style="list-style-type: none"> – Periodic risk assessment conducted in accordance with our Risk Management Framework to evaluate our procurement categories against external contextual factors – Procurement categories are ranked by inherent risks material to Dexu to inform procurement and supply chain monitoring activities |
| 1. Project is proposed | <ul style="list-style-type: none"> – Project owners follow procurement procedures to develop and present a project business case to decision makers – Project assigned risk level in accordance with Tendering and Operating Limits Policies – Articulate project sustainability goals | <ul style="list-style-type: none"> – Internal audit of Operating Limits policy |
| 2. Project is approved | <ul style="list-style-type: none"> – Project owners: a) procure services directly within agreed limits and preferred panel, or b) work with our procurement team to procure major services via formal tender | <ul style="list-style-type: none"> – Internal audit of Operating Limits policy |
| 3. Quotes obtained or formal tender is issued | <ul style="list-style-type: none"> – Business units work with our procurement team to issue project brief to service providers – Service providers may be prequalified and selected on our preferred supplier panel – Sustainability prequalification criteria specified | |
| 4. Service provider is selected | <ul style="list-style-type: none"> – Sustainability track record, as well as risks and opportunities are evaluated during a rigorous and structured screening and ranking of suppliers, using a balanced scorecard – We conduct financial due diligence to establish that a company is viable and can perform the tasks required – Assessing a company's capability to perform by reviewing its track record, and seeking feedback from references | |
| 5. Service provided is appointed | <ul style="list-style-type: none"> – We review proposed services to confirm fair value upfront and avoid later uplift – Service providers contractually agree to the Dexu Sustainable Procurement policy and Supplier Code of Conduct | |
| 6. Service is undertaken | | <ul style="list-style-type: none"> – Contractor management systems track on-site contractor activity and ensure contractors maintain licences and insurances – Project Control Group holds regular meetings between Dexu and suppliers and receive progress reports |
| 7. Service is monitored | <ul style="list-style-type: none"> – Our procurement team monitors supplier performance through site feedback, regular performance meetings and tracking against project KPIs | <ul style="list-style-type: none"> – We conduct site-level contractor spot checks to evaluate performance and develop corrective action plans where required – Evaluation against contract KPIs and SLAs – Suppliers periodically complete a self-assessment to provide us with insights into their business-related sustainability issues and gather feedback on its performance as a partner |
| 8. Project completion | <ul style="list-style-type: none"> – We evaluate the effectiveness and value for money as part of retaining service providers – We conduct a supplier spend analysis to maintain a current view of critical suppliers and commodities | <ul style="list-style-type: none"> – Suppliers periodically complete a self-assessment to provide us with insights into their business-related sustainability issues and gather feedback on its performance as a partner |

Tender documentation and service agreements integrate sustainability policies and key performance indicators. Dexus communicates its expectations and ESG requirements to all suppliers and requires each one to operate in line with our Supplier Code of Conduct as well as understand Dexus's procurement requirements and commitments outlined in its Sustainable Procurement Policy and Human Rights Policy.

With each supplier engagement Dexus seeks to ensure that investment considerations:

- Address impact on supply chains and comply with Dexus's Supplier Code of Conduct including materials, contractors, consultants and other professional services
- Are in line with recognised and accepted local labour and employment practices where that investment results in employment or engagement of suppliers, contractors and professional service providers

Specific standards regarding ESG are agreed with contractors based on the prepared design brief. All work carried out must comply with the brief.

We prioritise supplier engagements based on the commodity/service involved, the size of the contract, supplier values and its criticality to business continuity.

A supplier assessment process takes into account labour practices, social, environmental and human rights issues. Suppliers are encouraged to work with us to reduce carbon emissions, adopt sound environmental principles, manage their people ethically, drive positive supplier relationships and consider the impacts of their activities on the communities in which they operate.

Ongoing data collection and performance analysis provides a benchmark for site teams that oversee supplier services. This provides valuable insights on how performance trends vary over time and across sites. This data is used as an input into initial reviews of supplier contracts and periodic reviews of our panel of preferred suppliers.

Addressing modern slavery risk in our supply chain

We are aware of the following modern slavery risk factors across our supply chain:

- Use of low-skilled, contract, and/or migrant labour
- Subcontracting and use of third-party labour hire agencies
- A highly competitive and cost driven business sector
- Procurement of specific materials (the production of which may involve modern slavery)
- Supplier operations in countries with weak or opaque commitments to human rights

Based on this understanding of modern slavery risk factors, our supply chain sustainability risk assessment suggested the following categories as focus areas: cleaning and waste management services, security services, capital works at operational assets, development works, IT, corporate merchandise, and procurement of materials sourced from overseas.

Relevant contractual documentation contains modern slavery requirements and we have enhanced the consideration of modern slavery risk factors during the supplier selection process. We also deliver awareness campaigns to educate suppliers and their workforces about modern slavery and how to report concerns, through integration of modern slavery information into site induction terminals and signage in key locations across assets in our portfolio.

We conduct due diligence on suppliers both before and during our engagement with them, to understand human rights risk exposure and any potential breaches. As part of the Property Council of Australia Modern Slavery Roundtable, we collaborated with industry peers through to develop a common supplier due diligence platform questionnaire.

We are using the responses to identify higher risk suppliers with whom we should engage to ensure modern slavery risks are appropriately identified and managed.

We have established procedures to enable individuals within our supply chain to identify and escalate concerns. The Dexus Whistleblower policy specifies grievance mechanisms available to stakeholders to safely and anonymously raise concerns about modern slavery in our operations and supply chain. The Whistleblower Policy includes reference to modern slavery and specifies that its coverage includes the workforces of Dexus suppliers, as well as their spouses and dependents. We included this material to make it clear to individuals in our supply chain that Dexus wants to hear from them if they have concerns, and that they will be covered under the protections specified in the policy.

When a concern is raised, or we otherwise become aware that an individual in our supply chain may be impacted by modern slavery, we investigate the matter further and take appropriate action. The appropriate action would depend on whether Dexus has caused the impact, contributed to the impact, or is linked to the impact through our business relationships. In all cases, the focus is on mitigating the risk to the individual(s) experiencing the impact and using our leverage to foster continuous improvement.

More information on our approach to addressing modern slavery risk in our supply chain is provided in Dexus's annual Modern Slavery Statement, as well as the Sustainability Performance Pack (page 43).

Procurement procedures

Our procurement procedures outline the buying process for the Dexus operational divisions, and by authorised third party property managers. The procedures accompany the Dexus Operating Limits, Conflicts of Interest and Tendering policies. The procedures ensure that:

- Service providers are engaged based on merit
- Conflicts of interest are appropriately identified and managed
- Our interests are legally protected (including the avoidance of fraudulent transactions)
- Our insurances are not compromised

An important step in this process is engaging with suppliers to evaluate the effectiveness of Dexus's sustainable procurement policies and supplier relationship management practices.

Tender process

Our tender process ensures that service providers are chosen based on merit and capacity to deliver works and services. The number of organisations invited to tender varies taking into account a project's size, complexity and procurement guidelines. We are committed to a transparent and competitive tendering process. The process is subject to detailed monitoring and oversight.

A Project Control Group (PCG) is established for high value projects. The PCG includes appropriately qualified representatives from Dexus, co-owners and senior representatives of the core service providers and contractors or consultants, for example builders, architect, project manager or leasing agents.

Employee responsibilities and training

Our employees receive periodic training on procurement best practices as well as property-related products, services and requirements. This provides them with the required skills and industry knowledge to appropriately select and appoint service providers.

All employees with responsibility for selecting, appointing and monitoring service providers must ensure performance and compliance with contractual agreements via standard contract templates.

Supplier monitoring and relationship management

We monitor the performance of major contracts through:

- Regular performance review meetings with site teams that assess performance against KPIs
- High-level performance reviews that occur at least half yearly and incorporate formal feedback from internal stakeholders
- Site and corporate team feedback, which is discussed with suppliers to directly manage exceptions against performance expectations

Service agreements set out the level and frequency of monitoring. Suppliers must perform an appropriate level of monitoring, which may include a combination of physical monitoring of activities and performance reports.

Contractor health and safety

Dexus recognises its duty of care to manage any work health and safety risks across its managed property portfolio, including activities of its suppliers or contractors. Dexus's Work Health, Safety and Liability (WHS&L) Statement outlines how we manage risks at our properties. It states the group's commitment to maintaining safe properties, working with stakeholders to manage hazards, risks and continuous monitoring. Dexus implements a safety management system that is certified against ISO 48001 to address WHS&L risks across the portfolio. Dexus uses a third-party tool across all Dexus managed properties to monitor contractor WHS management systems and manage compliance of contractors regarding insurance, WHS and inductions.

Evaluation and process improvement

Our procurement process is subject to ongoing, risk-based auditing and monitoring via the Risk team and Compliance team. Potential breaches of procedures are investigated and may result in disciplinary action if substantiated.

The Dexus Work Health Safety & Liability manual sets out a consistent approach for contractor management across our portfolio. We focus on contractor health and safety at our sites through:

- Delivering Dexus Contractor Induction and site-specific inductions that confirm contractor qualifications and make them aware of site-specific risks and procedures before work commences
- Ensuring contractors are using the contractor management system and that they have supplied current documentation (e.g. contractors' licences, insurance certificates, Safe Work Method Statements, WHS Plans)
- Confirming that contractors correctly use the forms and permits relevant to their activities
- Consulting with contractors on WHS activities through 'tool-box talks' or using the Health & Safety meeting agenda available in Dexus's safety management system
- Reviewing contractor health and safety performance through conducting regular contractor spot checks, which are to be conducted across all properties at least monthly, with at least one annual spot check conducted for each contractor

Grievance mechanism

Feedback from or about a contractor that becomes a formal grievance is addressed through Dexus's Complaints Policy. Further details are available in the Sustained Value section of the Sustainability Approach and Procedures (pages 105-106).

| Objectives | Output | Impact |
|--|--|--|
| Supply chain management and sustainable procurement | | |
| Maintain value aligned partnerships | <ul style="list-style-type: none"> – Number of critical suppliers – Supplier relationship satisfaction score (0 to 10) – Supplier net promoter score (-100 to +100) – Value for money | <ul style="list-style-type: none"> – Stronger supplier relationships – Maintained service continuity – Minimise costs associated with service disruptions |
| Effective service delivery | <ul style="list-style-type: none"> – Customer satisfaction survey – Feedback from customers and/or facility managers – Supplier conformance and legal compliance (fines, penalties and breach notices) – Achievement of contract KPIs and SLAs | <ul style="list-style-type: none"> – Customer satisfaction – Increased likelihood to renew leading to sustained revenue generation – Reduced compliance costs |
| Human rights | | |
| Readiness for Modern Slavery legislation | <ul style="list-style-type: none"> – Supplier Code of Conduct in contracts – Spot checks – Contractor KPIs related to human rights due diligence – Supplier coverage of modern slavery due diligence questionnaire – Number of grievances – Incidents of non-conformance | <ul style="list-style-type: none"> – Reduced compliance costs associated with human rights – Enhanced reputation through minimal human rights impacts at Dexus |
| Fair Working Conditions | <ul style="list-style-type: none"> – Incidents of non-conformance – Corrective action plans | |
| Health and safety | | |
| Maintain a safety culture | <ul style="list-style-type: none"> – Contractor compliance with onsite WHS systems – WHS metrics (e.g. lost time injury frequency rate, medical treatment injury frequency rate, fatalities) – Incidents of non-conformance | <ul style="list-style-type: none"> – Enhanced worker health and wellbeing – Reduced incidence of injury – Reduced compliance costs associated with WHS – Enhanced reputation through minimal WHS impacts at Dexus sites – Reduced insurance costs |

Enriched Environment

Creating an efficient and resilient portfolio that minimises our environmental footprint and is positioned to thrive in a climate-affected future.

We recognise we have a duty of care to our stakeholders: investors, customers, employees, agents and the wider community, to sustain and protect the environment during the management of our property portfolio.

We understand the increasing environmental and social challenges caused by climate-related impacts to the environment and their effects on our communities, and we recognise our role to limit those long-term effects of human-induced climate change in line with the goals of the Paris Climate Agreement.

We seek to enhance property portfolio environmental resilience by minimising our greenhouse gas emissions impact, adapting for change through environmentally friendly technologies, and influencing across our value chain. Dexus is committed to transitioning to a low carbon future through the group's target to achieve net zero greenhouse gas emissions by 2030.

The group adopts a holistic, precautionary approach to environmental challenges – from the boardroom to the plant room – to reduce operating costs, enhance property values and improve customer appeal, resulting in enhanced long-term returns for investors together with lower environmental risks.

Adopting a sustainable approach to property operations contributes to the following outcomes:

- Enhanced income through higher rental premiums for sustainable buildings
- Reduced operations and maintenance costs
- Improved customer comfort and amenity
- Enhanced business reputation
- Improved employee productivity and wellbeing

Our material environmental issues include:

- **Energy consumption:** Optimising energy usage positively impacts the environment while reducing operating costs and exposures to volatility in energy prices. High performing buildings attract customers and increase occupancy and customer retention. This reduces financial risk, maximises the return on investment and gives customers an environmentally conscious space to occupy
- **Water consumption:** Improving water efficiency, onsite water recycling and rainwater harvesting preserves a precious natural resource and reduces utility costs which leads to reductions in outgoings and maintenance costs. These outcomes reduce operational financial risks, improve reputation, help to attract and retain customers and maintain each property's market competitiveness
- **Climate change impacts:** Assessing climate change risks, reducing greenhouse gas emissions and implementing adaptation measures reduces operational and financial risks and assists in maintaining a property's long-term resilience and competitiveness
- **Waste management:** Minimising waste, recycling, and effective waste handling reduces raw material use and avoids environmental and health related hazards associated with sending waste to landfill
- **Biodiversity:** Ecosystems and their species perform important biological services. Protecting and enhancing biodiversity provides places for native flora and fauna to reside. Biodiversity contributes to protecting areas from soil erosion and floods, reducing climate change risks, recycling nutrients to boost farming productivity, capturing and retaining water, assisting with controlling pollution as well as providing aesthetic value

The boundary for these issues encompasses all properties within the Dexus group portfolio, with impacts felt across occupants and visitors, as well as local communities and habitats.

5.1 Management framework and objectives

We have established the following business goals to minimise the overall environmental impact of its operations and guide the development of environmental sustainability practices and initiatives:

- Achieve high environmental performance standards across Dexus's group property portfolio
- Develop properties that are sustainable and minimise resource consumption and environmental impacts
- Increase stakeholder awareness of the benefits of investing in sustainability and improved building performance
- Effectively manage environmental risks for community health and wellbeing and to preserve the environment

Several areas of our business, under the leadership of the Dexus Board and Group Management Committee, collaborate to deliver these goals. The table below provides insight into the relevant management structure and policy framework. Several policies are publicly available at www.dexus.com.

| Enriched Environment management framework | | | |
|---|--|--|--|
| Dexus Board (Board) | | | |
| Oversight of the integration of environmental considerations into Dexus's strategy, risk management and statutory reporting | | | |
| Board ESG Committee | | | |
| Oversight of the implementation of environmental initiatives to maintain Dexus's position as a leader in sustainability | | | |
| Group Management Committee (GMC) | | | |
| Oversight of the integration of environmental initiatives into Dexus group strategy | | | |
| Group ESG Committee | | | |
| Coordination of portfolio environmental initiatives, linking business operations and corporate governance | | | |
| Property Executive Committee | Dexus/CBRE Strategic Management Committee | Retail Operations team | |
| Executive-level committee overseeing property performance, development and customer objectives, including integration of environmental sustainability into asset operations | Partnership committee across CBRE-managed properties providing oversight on delivery, performance team engagement and innovation | Team managing property and facility management operations across Dexus-managed retail centres | |
| Enriched Environment delivery | | | |
| Risk and Compliance teams | Sustainability team | Office, Industrial and Retail teams | Developments and Capital Works team |
| Responsibilities include: | Responsibilities include: | Responsibilities include: | Responsibilities include: |
| <ul style="list-style-type: none">– Environmental management system– Climate change risk– Hazardous materials management | <ul style="list-style-type: none">– Resource efficiency– Employee engagement– Sustainable procurement– Industry engagement– Continuous improvement targets– Carbon neutrality– Oversight of building environmental ratings | <ul style="list-style-type: none">– Building operations– Asset planning– Customer engagement and green leasing | <ul style="list-style-type: none">– New developments– Major refurbishments– Customer fit outs– Biodiversity assessments |
| Policies and systems | | | |
| Environmental Statement Biodiversity Work Health Safety & Liability | | | |
| Environmental Management System | | | |

Environment Policy

Dexus's Environment Policy outlines its commitment to minimising the overall environmental impact of its operations. The policy covers the group's environmental commitments and details the management system that Dexus implements across the property portfolio, including:

- Managing and monitoring potential risks and opportunities of climate change
- Identifying and implementing compliance requirements
- Educating, training and communicating to stakeholders about environmental impacts and commitments
- Actively developing and promoting initiatives to improve environmental performance
- Providing transparent monitoring and reporting of environmental performance

Dexus's commitments and targets

In line with a precautionary approach to environmental challenges, each year we set, review and update corporate commitments within our responsible investment framework and sustainability approach, which are focused toward minimising the overall environmental impact of our operations, in the development, management and refurbishment of properties.

Refer to page 45 for further disclosure of annual commitments and progress against key priorities.

5.2 Management practices

Key actions contributing to Enriched Environment priorities are listed in the table below.

| Priority | Actions |
|---|--|
| Being an innovative, leading environmental performer | <ul style="list-style-type: none"> – Set environmental performance targets for all investments – Maximise energy and water performance of properties rated under NABERS – Outperform industry benchmarks for GHG emissions, waste, indoor environmental quality, transport and social performance – Comply with applicable legislation |
| Optimising building environmental performance and resilience | <ul style="list-style-type: none"> – Identify opportunities to enhance both environmental and social performance – Prepare strategic improvement plans for properties that quantify the ratings enhancement, energy saved and the required investment |
| Being a sustainable developer | <ul style="list-style-type: none"> – Incorporate sustainable design within new developments, leveraging best practices tools such as the Green Star rating system – Establish minimum energy performance benchmarks through NABERS commitment agreements |
| Being a low carbon energy producer | <ul style="list-style-type: none"> – Collaborate with industrial customers to incorporate on-site solar electricity generation for new industrial developments – Reduce emissions by evaluating and pursuing opportunities to incorporate renewables across existing industrial and retail properties |
| Creating customer environmental partnerships | <ul style="list-style-type: none"> – Collaborate with customers to improve environmental performance of Dexus properties and its tenancies through green lease clauses, customer and fit-out guidelines, and support |
| Adapting for environmental resilience | <ul style="list-style-type: none"> – Assess the impacts of climate change and extreme weather events and address appropriate mitigation and adaptation actions – Assess biodiversity risks and opportunities to create a net positive benefit |

Climate change risk and response

Climate change presents a range of risks and opportunities to Dexus's portfolio and business strategy. These issues are described in detail in Dexus's report *Towards Climate Resilience*, and comprise:

- Transition issues associated with the transition to a low carbon economy (shifts to renewable energy, customer and market preferences for low emission properties, reputational considerations)
- Physical issues associated with climatic changes (increasing frequency and severity of extreme weather, and longer-term climate considerations such as sea level rise and higher maximum temperatures)

The risk to Dexus from the adverse effects of climate change are varied and new information continues to emerge regarding the scale, likelihood and areas that could be impacted. In addition to understanding the physical risks to properties and populations, Dexus, its customers and local communities are also faced with transitional risks including socio-economic effects, resource availability, and health and wellbeing.

Climate-related risks are managed in accordance with the Dexus Risk Management Framework, which is aligned to the principles of ISO 31000:2018 and provides the foundation for employees to manage the risks inherent in achieving the group's strategy. Climate change is listed on the Dexus key risk register, which has resulted in the development of control measures and the detailed discussion of climate risk at leadership and Board levels.

Climate scenario analysis

We recognise that a layer of bespoke climate change risk management procedures is appropriate because of the unique nature of climate-related issues. Unlike risks and opportunities that are localised to specific areas of the business, climate-related issues present risks and opportunities across our entire operations and prospective strategic opportunities. To support a comprehensive understanding of climate-related issues, we have incorporated a wide range of scenarios into its climate risk management approach.

| Scenario (source) | How the scenario has informed Dexs's approach |
|---|---|
| Representative Concentration Pathway (RCP) 8.5 (Intergovernmental Panel on Climate Change) | Used to assess property physical risk exposure and identify likely high impact climate-related outcomes, including the magnitude and specific locations where they are likely to occur. The outcomes inform Dexs's acquisition strategy and physical property risk management activities. |
| Science Based Targets initiative sectoral decarbonisation trajectory using IEA 2°C scenario (International Energy Agency) | Used to inform energy use and price modelling out to 2030, with comparison against sector decarbonisation required to align with a 2°C warming trajectory, to support the development of our 2030 net zero emissions target. |
| RCP 1.9, RCP 2.6, RCP 6.0 (Intergovernmental Panel on Climate Change) | Used to define plausible trajectories of global warming within the scenarios developed for <i>Towards Climate Resilience</i> . |
| Shared Socioeconomic Pathways (Intergovernmental Panel on Climate Change) | Used to define plausible future pathways for global socioeconomic development such as population, economic growth, education, urbanisation and technological development. SSPs are combined with RCPs in the scenarios developed for <i>Towards Climate Resilience</i> , to define plausible combinations of socioeconomic development and global warming trajectories. |
| Inevitable Policy Response, Forecast Policy Scenario (Principles for Responsible Investment) | Incorporated into the "Delay and disruption" scenario within <i>Towards Climate Resilience</i> , to test the business's strategy against a forceful policy response to climate change in the near term. |
| Various scenarios for future climate impacts and policy pathways (e.g. CSIRO, Australian Bureau of Meteorology, Australian Energy Market Operator) | Incorporated into the scenario analysis contained within <i>Towards Climate Resilience</i> . The assumptions and references underpinning the Towards Climate Resilience scenarios are available in the Dexs Climate Scenario Analysis Supplement, available at www.dexs.com/sustainability-reporting-library . |

Climate resilience strategy

Dexs's climate change resilience strategy involves:

1. Mitigating our impact through decarbonisation, energy efficiency and renewable energy
2. Adapting to and emerging risks relevant to our properties, people and operations
3. Influencing our value chain by engaging customers and suppliers to reduce climate impacts, and engaging other key stakeholders on our climate resilience strategy

Dexs seeks to build the capacity of individuals, communities and systems in and around Dexs properties to adapt and grow with consideration to chronic stresses and acute shocks that may result from the effects of climate change. The table below summarises Dexs's climate change resilience strategy, described in detail in *Towards Climate Resilience* (www.dexs.com/towards-climate-resilience).

| Dexs climate resilience strategy | | |
|---|--|--|
| Reducing our impact | Adapting to climate change | Influencing our value chain |
| Mitigating our contribution to climate change <ul style="list-style-type: none"> – Net zero emissions by 2030 – through energy efficiency and renewable energy (pages 141–142) – Climate resilient building technology – preparing our portfolio for a low carbon future (page 124) – Climate resilient developments – integrating life-cycle thinking and net zero targets into the design and development of city-defining properties and precincts (pages 110–112) | Adaptations to enhance resilience <ul style="list-style-type: none"> – Climate resilient operations – addressing physical risks at the property level (page 141) – Climate resilient transactions – considering climate-related issues in transaction due diligence (page 109) – Climate resilient research – tracking environmental, social, economic and political factors that could influence our resilience | Lifting industry practice and unlocking opportunities <ul style="list-style-type: none"> – Engaging with customers to adopt a whole building approach (page 127) – Adopt a 'life-cycle approach' and 'net zero' targets in new developments (NABERS and Green Star commitments) – Procuring for a low carbon supply chain (page 145) |

Our climate resilience strategy responds to a range of climate-related issues that have been identified through our scenario analysis and risk management processes over the years, as described below. Our view of material climate-related issues is updated regularly based on research, evaluation of our climate resilience actions, and additional scenario analyses.

Dexus's material climate-related issues across time horizons

| Short term (0 – 2 years) | Medium term (2 – 7 years) | Long term (7 – 15 years) |
|--|--|---|
| <ul style="list-style-type: none"> Day-to-day risks of properties from climate-related events Energy price volatility Integrate climate-related considerations into financial and operational planning and annual budgets Requirement to integrate climate-related issues and scenario analyses into transactions due diligence and development design processes Increasing costs of conventional waste management Health and safety impacts at our assets Growing customer and investor demand for sustainable product | <ul style="list-style-type: none"> Rise of peer-to-peer energy trading across decentralised energy networks Introduction of carbon pricing schemes Increased demands for electric vehicles Market demands for of circular economy waste management Potential policy shocks following increasing severity of physical climate impacts Demands to reduce embodied carbon across development and capital works projects | <ul style="list-style-type: none"> Stranded asset risk (e.g. uninsurability) Sea level rise Changes to social and demographic makeup of cities because of migration Requirements to support communities impacted by climate change Activation of climate tipping points create fundamental changes to operating environments |

Addressing physical risk

Since 2011, Dexus has undertaken portfolio-wide climate change risk assessments to understand the exposure of its portfolio to physical risks such as increasing frequency and severity of extreme weather, as well as longer-term shifts in climatic conditions.

The most recent risk assessment, completed in 2019, incorporated medium and long-term greenhouse gas emission scenarios (RCP 4.5 and RCP 8.5) from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, as well as climate projections from the CSIRO and the NSW Office of Environment and Heritage.

The RCP 8.5 scenario was chosen to identify high-impact climate-related outcomes, including the magnitude and specific locations where hazards are likely to occur. A geospatial analysis was conducted to map our properties against their relevant climate zones and link to the scenario outcomes. Risk exposure was rated for each property using our two-dimensional risk rating matrix, which assesses likelihood and consequence for each type of physical risk.

We also reviewed property-specific scenario data including flood maps, and likely frequency and intensity of bushfires and storms to assess each property and identify hotspots in each geographical market. To sense-check these results we surveyed facility and operations managers to assess climate vulnerability at their properties. Analysis has informed the overall level of physical risk exposure across all existing properties and geographical hotspots. Data is used to inform future investments and establish mitigation plans for existing investments. High risk properties will undertake site-specific climate change risk assessments to evaluate significant climate-related vulnerabilities and adaptation actions.

Management of physical risks at the asset level has been integrated into the Dexus Environmental Management System (EMS), which is certified to ISO 14001:2015. Climate change is listed as an 'aspect' within the EMS, which provides a structured framework for considering factors such as higher temperatures, altered rainfall patterns, and more frequent and intense extreme weather events into the day-to-day activities of transactions, developments, and asset and facilities management teams across the group.

Climate-related disclosures

Dexus discloses its approach to addressing climate-related issues within its Annual Reporting Suite, in accordance with the Task Force on Climate-related Financial Disclosures recommendations. The recommendations provide an effective lens for us to communicate with investors on where direct and indirect risks and opportunities exist, and the action we are taking to address them.

Reducing Dexus's emissions footprint

Dexus consumes electricity, natural gas, diesel and solar energy for the operation of its property portfolio and aims to reduce its major emissions sources including electricity, natural gas, diesel, refrigerant leakage and waste to landfill. Refer to pages 75–97 for a detailed disclosure on current environmental performance.

Within Dexus's annual commitments, Dexus sets continuous improvement targets to drive reductions in energy use. Dexus has committed to a net zero future, a commitment that has been certified by the Science Based Targets Initiative as aligned with a global warming trajectory of under 1.5°C.

Emissions management

Our continuous improvement approach to addressing environmental issues includes a focus on reducing energy consumption and greenhouse gas emissions. Dexus aims to reduce its greenhouse gas emissions by:

- Tracking greenhouse gas emissions across the group portfolio and ongoing disclosure of performance
- Setting continuous improvement targets
- Conducting ongoing energy management processes and initiatives across operations
- Implementing energy efficiency and fuel switching projects
- Generating energy onsite from renewable sources
- Purchasing accredited, emission-free GreenPower
- Incorporating environmental performance into new developments and investment decision making
- Maintaining carbon neutral certification for its corporate operations under the Climate Active Carbon Neutral Standard via participation in the Climate Active Australian Government Carbon Neutrality Program
- Actively participating in industry collaborations including the Global Real Estate Sustainability Benchmark and Sydney-based Better Buildings Partnership (BBP)

Carbon neutrality

We have set a pathway to net zero emissions through energy and resource efficiency, renewable energy and minimal offsets.

We are a signatory to Climate Active and our corporate head office has been certified as carbon neutral since 2011. In line with the Climate Active Carbon Neutral Standard, we offset direct emissions from refrigeration and electricity usage and indirect emissions generated by waste to landfill, paper use, airline travel and car mileage for national employees, taxi travel, hire cars and employee commuting.

Carbon neutral certification is achieved through assessing our energy consumption and developing an emissions management plan. The plan focuses on reducing waste to landfill, increasing recycling, increasing the use of recycled products, reducing use of consumables and paper and introducing new technologies to reduce energy consumption.

Resource efficiency

We target continuous improvements in energy and water efficiency, and emissions reduction across the group property portfolio. We use smart meters to validate utility bills, identify consumption and report anomalies. Energy and water submetering has been installed in key office properties to deliver incremental efficiencies.

We develop Strategic Improvement Plans (SIPs) to maximise operational performance and reduce resource consumption. Our SIPs cover four elements:

- Strategic building reviews
- Resource consumption performance
- Energy and water operational improvements
- Plant and equipment upgrades

Assessing these elements provides a comprehensive view of building performance. This enables us to plan and implement optimum plant and equipment upgrades to maximise energy efficiency and customer comfort. The plans incorporate best practice maintenance and serviceability such as the Property Council of Australia's quality grade considerations and potential future building code compliance.

We implement viable projects identified in the SIPs in conjunction with overall asset planning. Examples of energy efficiency initiatives include:

- Chiller replacements
- Use of energy efficient boilers
- Improvement of air tightness and building isolation/insulation
- Upgrades to building management and control systems (BMCS)
- Mechanical works and retro commissioning
- Installation of sub-meters and energy management systems
- Lighting upgrades
- 'Virtual engineer' building analytics

We embed sustainability practices within industrial estate master planning for new developments and through targeted technology and controls upgrades. Master planning initiatives reduce water and energy including the use of solar hot water, rainwater for irrigation and toilets use and native landscaping.

We participate in the NSW Energy Savings Scheme and generate Energy Savings Certificates (ESCs) based on demonstration of electricity reductions due to energy efficiency projects. These certificates can be sold at a future date to realise extra funds for use in further building works.

We benchmark energy efficiency performance against the leading industry benchmarks, NABERS and Green Star. NABERS provides resource consumption profiles for each property and helps to identify improvements. NABERS Energy and Water ratings are regularly undertaken across the group's office and retail portfolios.

Renewable energy

We support the development of renewable energy and distributed energy generation across our managed portfolio. As a signatory to the RE100 initiative, we are committed to sourcing 100% renewable electricity by 2030. We will achieve this commitment through onsite solar generation and offsite renewable energy opportunities such as through renewable energy supply agreements. We also purchase accredited GreenPower, which is electricity that is certified as renewable and 100% emissions free.

We generate onsite energy across several properties, including emission-free solar hot water, solar photovoltaic (PV) and gas-fired cogeneration. Through these initiatives, we seek to harness natural resources and low carbon natural gas to offset grid purchases of high-emissions coal-fired electricity production.

Water use

Nearly all water consumed across Dexu's portfolio is potable water purchased from local water utilities. Reported water consumption comprises local utility water, plus onsite water treatment to recycle water at 1 Bligh Street, Sydney, 123 Albert Street, Brisbane and 145 Ann Street, Brisbane, in which greywater is collected from the building's showers and hand basins and recycled in a treatment plant for reuse in within the building and for irrigation. Dexu does not consume fresh surface water. Dexu consumes an immaterial amount of bore water at Willows Shopping Centre from a rechargeable source which is not included in the reporting for water consumption.

Natural rainfall variability in Australia is large, with general water availability fluctuating according to wetter periods and drought conditions. With the onset of climate change, parts of Australia have experienced worsening droughts in recent times. We recognise we can have a positive impact by minimising water use across our portfolio and preserving available water sources for the general population. More efficient usage of water also delivers cost savings for us and our customers.

Our SIP program also focuses on water management. Examples of initiatives that we have deployed include:

- Optimising or upgrading cooling towers
- Leak detection programs
- Use of water efficient appliances including fitting water efficient cisterns and fixtures in bathrooms to enhance water efficiency, and treating wastewater through central blackwater and greywater treatment plants, reducing potable water consumption via the provision of clean recycled water for the washroom flushing system
- Use of recycled rainwater in toilet facilities to irrigate gardens and decorative plantings

Although some areas of inland Australia experience long periods of water stress, the cities where Dexu operates are not in water stress at the time of publication of this document. Given the variability of rainfall in Australia, there are times when urban water authorities restrict water usage by Dexu and the general population. We comply with all water restrictions and engage with our customers to ensure they understand and can reduce their water use as required.

All water from Dexu properties is discharged as sewage to water utilities and is never discharged directly to the natural environment. We ensure that our discharged water meets minimum requirements set out by local water utilities, including any requirements related to applicable trade wastewater permits. Stormwater is harvested for use on site or discharged via stormwater drainage.

Waste management

Waste generated by Dexus activities include:

- Construction and demolition waste from development projects
- Operational waste from the operation of buildings and associated with property usage by customers
- Fit-out waste generated when de-fitting tenancies
- Wastewater (described on page 142)

Construction waste

Dexus-owned construction sites are wholly managed by third-party contractors. Dexus does not have operational control of these sites and thus does not report on construction waste. At most sites, we require contractors to adopt principles of the relevant Green Star Design & As Built rating tool, which includes requirements for diversion of construction waste from landfill. Environmental Management Plans at construction sites generally include Waste Management Plans that specify recycling targets for demolition and construction waste (e.g. minimum of 90% construction waste to be diverted from landfill).

Operational waste

We contribute to and have adopted the BBP best practice guidelines for operational and strip-out waste management.

We implement waste management plans for each property. Comprehensive recycling streams are standardised and implemented as part of cleaning and waste services. We also look at other recycling opportunities on a property-by-property basis, for example recycling of materials removed from the site when it is under development; recycling of demolition material and providing reusable materials during demolition to local community groups.

We collaborate with customers and waste contractors to introduce recycling systems within their tenancies and offers ad hoc services such as electronic waste collection based on customer needs. Contractors also educate customers on recycling practices to maximise the amount of waste that can be diverted from landfill.

We report waste tonnage and recycling/diversion rates for office and retail properties in line with best practice guidelines.

We include environmental sustainability criteria in tender evaluation processes for the provision of waste services and as a result, waste management and recycling practices are standardised across the portfolio. The tender process considers detailed sustainability capability which forms key performance indicators within the service contract. These enable us to capture relevant data on waste management and recycling.

De-fit (strip out) waste

In 2015, in partnership with the BBP, we trialled enhanced materials recovery processes to improve the recovery rates from a Sydney office property from the industry average of 20% to up to 80%. This trial highlighted key success factors including developing inventories, structured removal and sorting practices, and establishing downstream materials receivers.

We subsequently set a de-fit recovery target within our corporate commitments and are embedding the guidance from the BBP's strip out guidelines into de-fit operations. We are expanding our network of receivers and engaging with customers on opportunities to recycle furniture.

Hazardous waste

Any hazardous waste produced by Dexus or at Dexus assets is managed in accordance with the Dexus Environmental Management System (page 144). Dexus does not transport solid or liquid hazardous waste (as defined as hazardous under the Basel Convention Annex) from one location to another for treatment.

Biodiversity

Biodiversity risk exposure is reviewed during the due diligence process for new acquisitions and within periodic valuations. Given the location of our developments primarily in urban and brownfield sites, there is limited exposure to biodiversity risks and opportunities for biodiversity enhancement. Risk exposure typically extends to our industrial portfolio where sites may be greenfield or may be situated close to waterways.

Our Biodiversity Policy focuses on protecting and enhancing biodiversity in and around our properties. We aspire to have a net positive impact on biodiversity and have applied an approach to avoid, minimise, restore and offset adverse biodiversity impacts within its properties. This includes making buildings and their surrounds a place for native flora and fauna to reside, and a place for people to enjoy.

Biodiversity is addressed in conjunction with the Green Building Council of Australia's Green Star rating tools, to determine if spaces can be created or improved in developments and building upgrades.

For its existing properties, we work to create green spaces and enhance species diversity through applicable retrofitting solutions. We do not engage in mining, exploration activities, operate manufacturing sites, or conduct activities that lead to the extinction of International Union of Conservation of Nature (IUCN) listed endangered species.

We recognise that our suppliers can also impact on biodiversity. Dexus's Supplier Code of Conduct requires suppliers to present us with technological, architectural, or design products or solutions that enhance, protect and retain native biodiversity throughout their supply chain to assist us to achieve our biodiversity objectives.

Environmental risk management and hazardous materials

We conduct a comprehensive risk audit program to identify, evaluate and mitigate the following risks:

- **Personal health and safety audits:** compliance/spot audits, work health and safety risk profile, certification of safety system to international standard ISO 45001, Principal Contractor audit, incident investigations
- **Building safety:** confined space risk assessment, plant risk assessment, façade audits
- **Environmental:** hazardous materials review, initial site audit, site re-inspections
- **Security:** security risk assessment, external security review
- **Insurance risk:** underwriting assessment

We track the audit program via a proprietary online property risk management and auditing tool that enables systematic and rigorous property risk profiling. This provides a single point of access for tools and data and improves the disclosure of due diligence data.

Environmental management system

We maintain an environmental management system which is certified against international standard ISO 14001:2015. This system and accompanying manual forms an integral part of the Dexus Environmental Management (EM) Program. The EM program has been designed to identify, assess and manage environmental risks across our portfolio, specifically properties under management, developments and transactions, and to promote continual improvement.

The Environmental Management program involves the following environmental management approach:



Environmental aspects considered within the day-to-day activities at our managed properties include:

- Storage of environmentally hazardous materials – Environmentally hazardous materials can have a significant environmental impact if released to the environment
- Waste generation – Management of solid and liquid waste materials requires safe handling and disposal
- Stormwater discharge – Release of contaminants to stormwater may result in the degradation of stormwater quality, with potential subsequent impact on surface waterways
- Trade waste and wastewater discharge – Discharge of wastewater to sewer requires a Trade Waste Agreement. Release of unlicensed discharges to sewer may lead to prosecution
- Emissions to atmosphere – Emissions to atmosphere (such as the discharge from cooling towers and kitchen exhausts, etc.) are managed to meet regulatory standards. We also recognise emissions of ozone depleting substances and refrigerants from air conditioning and refrigeration
- Noise emissions – Noise and vibration may cause a nuisance to neighbouring properties or customers and give rise to complaints and subsequent prosecution under environmental legislation
- Site contamination – Site contamination can result from loss of materials to soil and groundwater (leakage from underground storage tanks is a common source of soil and groundwater contamination)
- Climate change – The manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought, and storms
- Energy management – Energy management activities aim to reduce energy consumption including electricity, natural gas and diesel to minimise the overall environmental impact of operations.

5.3 Stakeholder collaboration on environmental performance

We collaborate across our value chain and conduct ongoing activities to manage and improve environmental performance. Key stakeholders include customers, employees, facility management and suppliers.

Customers

We collaborate with customers to improve their sustainability performance and awareness through initiatives such as City Switch, a national tenant energy efficiency program. We are both a signatory and a landlord within the program.

We aim to drive improvements in customers' energy efficiency through green building committees and other programs. These programs include involvement in the annual Earth Hour campaign and the NABERS Energy and Water ratings.

We undertake initiatives to receive regular, open feedback from our customers. Customer feedback helps to determine the important sustainability issues that keep property performance on the right track.

Employees

We have established dedicated employee working groups with mechanisms in place to improve engagement on environmental sustainability and drive environmental performance. We also encourage employees to pursue professional development in sustainability, with a number of Dexus's development managers having achieved Green Star professional accreditation from the Green Building Council of Australia.

Facility managers

Dexus directly manages more than 90% of the properties within the group portfolio. The remaining co-owned properties are managed either by the co-owners or by a jointly appointed independent property manager.

We engage regularly with co-owners and independent property managers to review their performance against the property management agreements, and to monitor alignment with our policies, procedures and KPIs.

We work closely with our facility manager partners for directly managed sites which involves day-to-day interaction regarding operations to maximise property performance, deliver customer service and respond to customer needs.

We employ dedicated retail management teams across directly managed retail centres. These teams work closely with the retail management team to maximise the performance of each centre within its local community.

Suppliers

We engage with like-minded suppliers on sustainability issues and practices. We work with preferred property services providers and equipment vendors to select best-of-breed products to maximise environmental performance while meeting performance expectations. We communicate our sustainability expectations to all suppliers through the Dexus Sustainable Procurement Policy and Supplier Code of Conduct and suppliers contractually agree to support these policies. Please refer to the Supply Chain section of this document (pages 130–136) for further information.

Supporting a climate resilient supply chain

As detailed in Dexus's *Towards Climate Resilience* report, we have identified several opportunities to enhance the management of climate-related issues in our supply chain, including:

- Completing supplier risk management assessments that focus on supplier capacity to manage climate-related issues, and engage with suppliers where required to enhance their awareness and understanding
- Further integrating climate-related issues management into supplier engagement agreements as appropriate
- Preferencing low or net zero carbon products, and collaborating with suppliers to increase disclosure through reporting and Environmental Product Declarations
- Assessing our supply chain for risks and opportunities associated with the transition to a low carbon economy
- Understanding areas of our supply chain that may be exposed to international trade disruptions

5.4 Evaluation and continuous improvement

Our environmental programs are subject to annual external audit. Improvement plans are monitored by corporate leadership teams and the Risk team. The Board ESG Committee, Board Risk Committee and the Board oversee the management of environmental and social issues across the group

Our management reviews performance against its environmental objectives on a quarterly basis. We report on key environment commitments every six months and report comprehensively on all commitments within our Annual Reporting Suite (available on our website). This is in line with requirements to transparently monitor and report performance as outlined in the Environment Policy.

We benchmark energy efficiency performance against the leading industry benchmarks, NABERS and Green Star. NABERS provides resource consumption profiles for each property and helps to identify improvements. NABERS Energy and Water ratings are regularly undertaken across its portfolio.

We employ measures to assess ESG performance including:

- Monitoring consumption patterns
 - Billing data: We record energy and environmental data in a centralised environmental reporting system and facility managers (FMs) receive regular reports that track performance. The FMs are queried about trends that differ from expectations
 - Meter data: FMs use interval and sub-meter data for finer granularity. This data helps identify potential savings projects and confirms the effectiveness of implemented projects
- SIPs for each asset list all feasible energy/water projects identified from audits and employee/customer suggestions. Facility managers update the SIPs, which then form a basis for future comparison to confirm that estimated savings are realised

- We conduct measurement and verification on an as needs basis to confirm successful project implementation
- Monitoring NABERS ratings for energy and water for all eligible properties. These ratings are heavily scrutinised as they form the basis for internal KPIs
- Participating in investor and industry benchmarking surveys

Environmental performance undergoes ongoing review through:

- Live monitoring of building consumption by FMs
- Monthly sustainability team meetings involving stakeholders from Dexu and its managing agents
- Monthly reporting of NABERS ratings activity and tracking of rolling portfolio targets
- Monthly review of energy and water billing data and investigation into adverse consumption trends
- Quarterly Board ESG Committee progress updates

We measure our success in environmental performance in the following ways:

- Completion of commitment milestones
- Achievement of targets
- Feedback from customers and employees
- Awards and external recognition
- Inclusion and rankings within sustainability and leadership indices
- Benchmarking against leading industry standards such as NABERS and Green Star

The table below outlines key performance indicators that we use to measure outputs and impacts related to our environmental performance.

| Topic | Outputs | Impacts |
|--|--|---|
| Energy consumption and greenhouse gas emissions | | |
| – Reduce like-for-like portfolio energy use and greenhouse gas emissions | <ul style="list-style-type: none"> – Absolute energy consumption (GJ) – Absolute scope 1 and 2 greenhouse gas emissions (t CO₂-e) | <ul style="list-style-type: none"> – Reduction in extraction and use of fossil fuels – Mitigation of climate change |
| Energy efficiency | | |
| – Maximise portfolio energy efficiency accounting for portfolio changes | – Energy intensity (MJ/sqm) | <ul style="list-style-type: none"> – Better utilisation of natural resources – Reduced energy costs |
| Climate change impacts | | |
| – Target Australian best practice in building energy and emissions performance | <ul style="list-style-type: none"> – NABERS Energy portfolio star rating – Greenhouse gas emissions intensity (kg CO₂-e/sqm) | <ul style="list-style-type: none"> – Lower greenhouse gas emissions through focus on leading performance – Mitigation of climate change |
| Water consumption and efficiency | | |
| – Target Australian best practice in building water performance | <ul style="list-style-type: none"> – NABERS Water portfolio star rating – Water consumption intensity (litres/sqm) | <ul style="list-style-type: none"> – Reduction in use of potable water and better utilisation of water on site – Reduced water costs |
| Waste management | | |
| – Maximise data collection coverage across office and retail portfolio | – Waste data coverage = Percentage of total office and retail lettable area with waste data | – Understanding of Dexus waste management impacts |
| – Increase recycling rate and reduce the percentage of waste sent to landfill across office and retail portfolio | – Waste diversion (%) = total recycled waste/(total recycled waste + waste to landfill) | <ul style="list-style-type: none"> – Reduced volumes of waste sent to landfill and associated avoided greenhouse gas emissions – Diverted materials available for reuse, repurposing or recycling, reducing reliance on new raw materials – Reduced waste management costs |
| Biodiversity | | |
| – Net positive impact and have integrated biodiversity management within the business | <ul style="list-style-type: none"> – Green Star rating of ecological value credits for new developments – Landcare volunteering – Biodiversity KPIs/SLA in landscaping contract | – Protect and promote local ecology, enhancing ecosystem productivity and agriculture, and maintaining ecological diversity |

2020 GRI Content Index

Dexus referred to the Global Reporting Initiative GRI Standards to determine the 2020 Sustainability Report boundaries and for guidance on identifying and reporting material issues, management approaches and key performance indicators.

Dexus has elected to prepare its 2020 Sustainability Report in accordance with GRI Standards (Core) reporting guidelines. This required Dexus to implement the GRI reporting principles to disclose our approach and performance against a list of standard disclosures as well as topic-specific disclosures based on the list of Dexus's material topics. Dexus's 2020 materiality assessment process is described on page 6.

Dexus has reported against the two main types of disclosures contained within the GRI Standards with the addition of the G4 Construction and Real Estate Sector Supplement:

- **General Disclosures:** Disclosures that set the overall context for understanding Dexus's performance such as strategy, profile, and governance.
- **Material Topic Disclosures:** Sustainability Report – Sustainability Approach and Procedures and indicators that elicit comparable information on Dexus's economic, environmental and social performance for each material issue.

General disclosures

| Number | Disclosure | Reference | Remarks/Omissions |
|--|--|--|---|
| GRI 102: General Disclosures 2016 | | | |
| 102-1 | Name of the organisation | Annual Report, page 4-5 – About Dexus | |
| 102-2 | Activities, brands, products, and services | Dexus website | Dexus does not produce or sell any products that are banned in certain markets. |
| 102-3 | Location of headquarters | Dexus website – Contact Us | Level 25, Australia Square, 264 George Street Sydney NSW 2000 |
| 102-4 | Location of operations | Annual Report, page 4-5 – About Dexus | Dexus operates in Australia |
| 102-5 | Ownership and legal form | Dexus website – Corporate Governance | Dexus (DXS) is a publicly traded real estate investment trust listed on the Australian Securities Exchange. |
| 102-6 | Markets served | Annual Report, pages 4-5 – About Dexus | |
| 102-7 | Scale of the organisation | Annual Report, page 4-5 – About Dexus Annual Report, page 42 – Thriving People Annual Report, page 93 – Consolidated Statement of Comprehensive Income Annual Report, page 94 – Consolidated Statement of Financial Position Annual Report, page 151 – Investor Information: Top 20 security holders at 31 July 2020 | |
| 102-8 | Information on employees and other workers | Sustainability Report – Sustainability Performance Pack, pages 24-31 – Thriving People Sustainability Report – Sustainability Data Appendix, pages 62-71 – Thriving People | |
| 102-9 | Supply chain | Sustainability Report – Sustainability Approach and Procedures, pages 130-146 – Supply Chain Sustainability Report – Sustainability Data Appendix, pages 73-74 Sustainability Report – Sustainability Performance Pack, pages 40-43 – Supply chain management | |

| Number | Disclosure | Reference | Remarks/Omissions |
|--|--|---|---|
| GRI 102: General Disclosures 2016 | | | |
| 102-10 | Significant changes to the organisation and its supply chain | Annual Report, pages 6-11 – Chair and CEO Review Annual Report, page 26-55 – Performance Sustainability Report – Sustainability Data Appendix, page 74 Sustainability Report – Sustainability Performance Pack, pages 40-43 – Supply chain management | |
| 102-11 | Precautionary Principle or approach | Corporate Governance Statement, page 17 – Principle 7 – Recognise and manage risk Sustainability Report – Sustainability Approach and Procedures, page 137-146 | |
| 102-12 | External initiatives | Dexus website – Memberships and affiliations 2020 PRI Transparency Report 2020 CDP Report | Dexus's corporate voluntary commitments include: Principles for Responsible Investment (PRI), United Nations Global Compact (UNGC), CDP Climate Change, National Carbon Offset Standard (NCOS), FTSE4Good, CitySwitch, Better Buildings Partnership, Dow Jones Sustainability Indexes (DJSI) and Global Real Estate Sustainability Benchmark (GRESB). |
| 102-13 | Membership of associations | Dexus website – Memberships and affiliations | |
| 102-14 | Statement from senior decision-maker | Annual Report, pages 6-11 – Chair and CEO Review | |
| 102-15 | Key impacts, risks, and opportunities | Annual Report, pages 6-11 – Chair and CEO Review Annual Report, pages 12-25 – Approach Towards Climate Resilience, pages 19-21 – Climate-related issues Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 108-115 Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116-122 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 123-130 Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130-136 Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 137-146 | |
| 102-16 | Values, principles, standards, and norms of behaviour | Annual Report, page 12 – Our Purpose Sustainability Report – Sustainability Performance Pack, page 8 Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116-122 Corporate Governance Statement, pages 12-13 – Principle 3 – Act Ethically and Responsibly | |
| 102-17 | Mechanisms for advice and concerns about ethics | Corporate Governance Statement, pages 12-13 – Principle 3 – Act Ethically and Responsibly Corporate Governance Statement, page 14 – Principle 4 – Safeguard Integrity in Corporate Reporting Corporate Governance Statement, page 17 – Principle 7 – Recognise and Manage Risk Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 100-107 Whistleblower Policy | |

| Number | Disclosure | Reference | Remarks/Omissions |
|--|---|--|---|
| GRI 102: General Disclosures 2016 | | | |
| 102-18 | Governance structure | <p>Corporate Governance Statement, page 3</p> <p>Corporate Governance Statement, pages 4-5 – Principle 1 – Lay solid foundations for management and oversight</p> <p>Corporate Governance Statement, pages 6-11 – Principle 2 – Structure the Board to add value</p> <p>Corporate Governance Statement, pages 12-13 – Principle 3 – Act Ethically and Responsibly</p> <p>Corporate Governance Statement, page 14 – Principle 4 – Safeguard Integrity in Corporate Reporting</p> <p>Corporate Governance Statement, page 17 – Principle 7 – Recognise and Manage Risk</p> | |
| 102-19 | Delegating authority | <p>Corporate Governance Statement, pages 12-13 – 3.4 Sustainability and responsible investment</p> <p>Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 103 – Corporate governance</p> <p>Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 123 – Management framework</p> <p>Sustainability Report – Sustainability Approach and Procedures, Strong Communities, page 129 – Management framework</p> <p>Sustainability Report – Sustainability Approach and Procedures, Supply Chain, page 132 – Management framework</p> <p>Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 138 – Management framework</p> | |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | Corporate Governance Statement, pages 12-13 – 3.4 Sustainability and responsible investment | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | <p>Dexus Website – Contact Us</p> <p>Corporate Governance Statement, page 16 – Principle 6 – Respect the Rights of Security Holders</p> <p>Sustainability Report – Sustainability Performance Pack, page 15 – Sustainable investment</p> <p>Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 108-115</p> <p>Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 144-145 – Stakeholder collaboration</p> | <p>Dexus has four Board Committees to assist in fulfilment of its responsibilities. There are seven committees including the Group Management Committee (the senior executives of the organisation). Employees are able to make recommendations through these forums as well as directly to senior management.</p> <p>Security holders may attend the Annual General Meeting (AGM) in person to meet the Board of Directors and Executive team. The Investor Relations team facilitate engagement with investors including regular meetings with investors. A feedback mechanism and enquiry facility is available on the Dexus website to facilitate investor and stakeholder feedback. Additionally, investors can make enquiries through the Registry info line.</p> |
| 102-22 | Composition of the highest governance body and its committees | <p>Annual Report, pages 56-61 – Governance</p> <p>Corporate Governance Statement, pages 6-11 – Principle 2 – Structure the Board to add value</p> | |
| 102-23 | Chair of the highest governance body | Annual Report, pages 58-61 – Board of Directors | |

| Number | Disclosure | Reference | Remarks/Omissions |
|--|--|--|-------------------|
| GRI 102: General Disclosures 2016 | | | |
| 102-24 | Nominating and selecting the highest governance body | Corporate Governance Statement, pages 4-5 – Principle 1 – Lay solid foundations for management and oversight Corporate Governance Statement, pages 6-11 – Principle 2: Structure the Board to Add Value | |
| 102-25 | Conflicts of interest | Dexus website – policies Corporate Governance Statement, pages 6-11 – Principle 2 – Structure the Board to add value Corporate Governance Statement, pages 12-13 – Principle 3 – Act Ethically and Responsibly Annual Report, page 89 – Directors' directorships in other listed entities Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 104 | |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | Corporate Governance Statement, pages 4-5 – Principle 1 – Lay solid foundations for management and oversight Annual Report, pages 22, 26, 36, 42, 46, 52 – Board focus areas Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 100-107 Sustainability Report – Sustainability Approach and Procedures, Leading Cities, page 108-115 Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 116-122 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, page 123-130 Sustainability Report – Sustainability Approach and Procedures, Supply Chain, page 130-136 Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 137-146 | |
| 102-27 | Collective knowledge of highest governance body | Corporate Governance Statement, pages 6-11 – Principle 2: Structure the Board to Add Value Annual Report, page 57 – Governance: Board skills and experience | |
| 102-28 | Evaluating the highest governance body's performance | Corporate Governance Statement, pages 4-5 – Principle 1 – Lay solid foundations for management and oversight Board Performance Evaluation Policy | |

| Number | Disclosure | Reference | Remarks/Omissions |
|--|--|--|--|
| GRI 102: General Disclosures 2016 | | | |
| 102-29 | Identifying and managing economic, environmental, and social impacts | <p>Corporate Governance Statement, page 17 – Principle 7: Recognise and manage risk</p> <p>Annual Report, pages 22–25 – Key risks</p> <p>Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality</p> <p>Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 100–107</p> <p>Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 108–115</p> <p>Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116–122</p> <p>Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 123–130</p> <p>Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130–136</p> <p>Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137–146</p> | |
| 102-30 | Effectiveness of risk management processes | <p>Corporate Governance Statement, page 17 – Principle 7: Recognise and manage risk</p> <p>Annual Report, pages 22–25 – Key risks</p> <p>Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 100–107</p> | |
| 102-31 | Review of economic, environmental, and social topics | <p>Annual Report, pages 87–90 – Directors Report – Attendance of Directors at Board Meetings and Board Committee Meetings</p> <p>Corporate Governance Statement, page 17 Principle 7: Recognise and manage risk</p> <p>Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality</p> <p>Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 100–107</p> | |
| 102-32 | Highest governance body's role in sustainability reporting | Corporate Governance Statement, pages 12–13 – 3.4 Sustainability and responsible investment | The 2020 Annual Report is an integrated report that discloses Dexus's financial and sustainability performance. The report has been reviewed and approved by senior executives and managers across all business units with final approval provided by the Dexus Board. |
| 102-33 | Communicating critical concerns | <p>Corporate Governance Statement, page 17 – Principle 7: Recognise and manage risk</p> <p>Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 100–107</p> | |
| 102-34 | Nature and total number of critical concerns | <p>Annual Report, pages 22, 26, 36, 42, 46, 52 – Board focus areas</p> <p>Annual Report, pages 22–25 – Key risks</p> <p>Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality</p> <p>Towards Climate Resilience, pages 19–21 – Climate-related issues</p> <p>Sustainability Report – Sustainability Data Appendix, page 67 – employee relations matters</p> | |
| 102-35 | Remuneration policies | <p>Corporate Governance Statement, page 18 – Principle 8: Remunerate fairly and responsibly</p> <p>Annual Report, pages 62–86 – Remuneration Report</p> | |
| 102-36 | Process for determining remuneration | Annual Report, pages 62–86 – Remuneration Report | |

| Number | Disclosure | Reference | Remarks/Omissions |
|--|--|--|---|
| GRI 102: General Disclosures 2016 | | | |
| 102-37 | Stakeholders' involvement in remuneration | Annual Report, pages 6-11 – Chair and CEO Review Corporate Governance Statement, page 16 – Principle 6 – Respect the Rights of Security Holders Annual Report, pages 62-86 – Remuneration Report | |
| 102-38 | Annual total compensation ratio | Sustainability Report – Sustainability Data Appendix, page 71 – Thriving People, Remuneration ratios | |
| 102-39 | Percentage increase in annual total compensation ratio | Sustainability Report – Sustainability Data Appendix, page 71 – Thriving People, Remuneration ratios | |
| 102-40 | List of stakeholder groups | Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 113-115 | |
| 102-41 | Collective bargaining agreements | Sustainability Report – Sustainability Data Appendix, page 69 – Thriving People, Recruitment | |
| 102-42 | Identifying and selecting stakeholders | Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Performance Pack, page 9 – Boundaries and Independent Assurance Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 108-115 | |
| 102-43 | Approach to stakeholder engagement | Dexus website – Sustainability Approach Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Performance Pack, page 9 – Boundaries and Independent Assurance Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 108-115 | |
| 102-44 | Key topics and concerns raised | Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality | |
| 102-45 | Entities included in the consolidated financial statements | Annual Report, page 161 – Financial Report – About this report | |
| 102-46 | Defining report content and topic Boundaries | Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Performance Pack, page 9 – Boundaries and Independent Assurance Sustainability Report – Sustainability Approach and Procedures, pages 108, 116, 123, 129, 130, 137 | |
| 102-47 | List of material topics | Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality | |
| 102-48 | Restatements of information | Annual Report, page 144 – Note 25 Changes in accounting policies Sustainability Report – Sustainability Data Appendix, page 76 – Enriched Environment – Resource consumption data preparation | |
| 102-49 | Changes in reporting | | There have been no significant changes from previous reporting periods in the boundary, or measurement methods applied in the report. |
| 102-50 | Reporting period | | Fiscal year 2020 (1 July 2019 – 30 June 2020) |

| Number | Disclosure | Reference | Remarks/Omissions |
|--|--|---|---|
| GRI 102: General Disclosures 2016 | | | |
| 102-51 | Date of most recent report | | Fiscal year 2019 (1 July 2018 – 30 June 2019) |
| 102-52 | Reporting cycle | | Reporting cycle is annual, period ending 30 June 2020 |
| 102-53 | Contact point for questions regarding the report | Annual Report, page 157 – Making contact | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Annual Report, page 157 – 2020 Annual Reporting Suite Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, page 99 | |
| 102-55 | GRI content index | Sustainability Report – GRI Index, pages 148-171 | |
| 102-56 | External assurance | Corporate Governance Statement, page 14 – 4.1 Board Audit Committee Annual Report, page 91 – Auditor's Independence Declaration Annual Report, pages 147-154 – Independent Auditor's Report Sustainability Report – Sustainability Performance Pack, page 9 – Independent assurance Sustainability Report – Sustainability Assurance Opinion and Criteria – page 173 Selection and Appointment of External Auditors Policy | PricewaterhouseCoopers (PwC) is an independent auditor engaged by Dexu to audit Dexu's financial reports and provide a Limited Assurance opinion over key aspects of Dexu's sustainability performance as reported in the 2020 Annual Report and within the online reporting suite on the Dexu website. |

Material topic disclosures

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|--|--|-------------------|
| Expanding our economic impact on Australian cities | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Sustainability Report, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Leading Cities, page 108 | |
| | 103-2 | The management approach and its components | Sustainability Report, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 108-115 | |
| | 103-3 | Evaluation of the management approach | Annual Report, pages 2-3 – FY20 highlights Annual Report, pages 26-55 – Performance Sustainability Report – Sustainability Approach and Procedures, Leading Cities, page 115 | |
| GRI 201: Economic performance 2016 | 201-1 | Direct economic value generated and distributed | Annual Report, pages 2-3 – FY20 highlights Annual Report, pages 26-55 – Performance Annual Report, pages 92-161 – Financial Report – Consolidated Statement of Comprehensive Income, page 93 – Consolidated Statement of Financial Position, page 94 – Consolidated Statement of Changes in Equity, page 95 – Consolidated Statement of Cash Flows, page 96 Annual Report, pages 62-86 – Remuneration Report Sustainability Report – Sustainability Performance Pack, pages 38-39 – Strong Communities | |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | Annual Report, pages 22-25 – Key risks Towards Climate Resilience, pages 19-21 – Climate-related issues Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|---|---|--|
| Expanding our economic impact on Australian cities | | | | |
| GRI 201: Economic performance 2016 | 201-3 | Defined benefit plan obligations and other retirement plans | | <p>Dexus does not operate a defined benefit superannuation scheme. Consistent with Australian legislation, superannuation contributions are made to superannuation funds selected by employees.</p> <p>Dexus contributes retirement provisions in line with Australia's employer superannuation guarantee requirements. In FY20 Dexus provided superannuation contributions at the legislated contribution rate of 9.5%, unless elected at a higher rate by an employee as part of a voluntary contribution.</p> |
| | 201-4 | Financial assistance received from government | Sustainability Report – Sustainability Data Appendix, page 80 – Energy Savings Scheme | During FY20 Dexus generated 6,286 Energy Savings Certificates (ESCs) through participation in the NSW Energy Savings Scheme (ESS) for improvements in base building energy efficiency. However, Dexus did not undertake any ESC transactions, resulting in \$0 revenue for the year. |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 | Infrastructure investments and services supported | <p>Annual Report, pages 36–41 – Properties</p> <p>Sustainability Report – Sustainability Performance Pack, pages 16–23 – Leading cities</p> <p>Sustainability Report – Sustainability Performance Pack, pages 32–43 – Future Enabled Customers and Strong Communities</p> | |
| | 203-2 | Significant indirect economic impacts | <p>Sustainability Report – Sustainability Performance Pack, pages 16–23 – Leading Cities</p> <p>Sustainability Report – Sustainability Performance Pack, pages 32–43 – Future Enabled Customers and Strong Communities</p> | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|---------|---|--|---|
| Expanding our economic impact on Australian cities | | | | |
| Sector Disclosure: Construction and Real Estate Sector Disclosures 2016 | G4-CRE8 | Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment. | Sustainability Report – Sustainability Performance Pack, pages 53–54 – Enriched Environment, Building certifications Sustainability Report – Sustainability Data Appendix, pages 86–87 – Enriched Environment, NABERS Ratings Property Synopsis, Sustainability | Dexus rates its office and retail buildings and tenancies and displays this information on marketing collateral. Dexus maintained compliance with the Australian Government's Building Energy Efficiency Disclosure (BEED) Act, which requires Dexus and other commercial building owners to disclose the energy efficiency of its building through a Building Energy Efficiency Certificate in the event of marketing the lease and/or sale of a space and/or greater than 1,000 square metres. The provisions of the Act also require the energy efficiency rating (via NABERS ratings) to be displayed in printed, physical and online marketing materials. At 30 June 2020, of Dexus's managed portfolio comprised 59 office and 8 retail properties were NABERS Energy certified. In addition, 57 office and 8 retail Dexus managed properties were voluntarily NABERS Water certified. Dexus voluntarily certifies against Green Star, an environmental rating tool for commercial design, construction and performance, which evaluates a building's impact against eight environmental impact categories. Dexus maintained Green Star Performance ratings across 80 office, retail and industrial properties. |
| Championing an inclusive and high performing culture | | | | |
| GRI 103: Management Approach 2016 | 103–1 | Explanation of the material topic and its Boundary | Annual Report, pages 22–25 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 116 | |
| | 103–2 | The management approach and its components | Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116–122 Sustainability Report – Sustainability Performance Pack, pages 24–31 – Thriving People | |
| | 103–3 | Evaluation of the management approach | Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 126 Sustainability Report – Sustainability Performance Pack, pages 24–31 – Thriving People Sustainability Report – Sustainability Data Appendix, pages 62–71 – Thriving People | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|--|---|--|
| Championing an inclusive and high performing culture | | | | |
| GRI 401: Employment 2016 | 401-1 | New employee hires and employee turnover | Sustainability Report – Sustainability Data Appendix, page 69, Thriving People, Recruitment, Retention | |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Dexus website – Employee benefits overview Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116-122 | Dexus offers a number of employee benefits in line with contemporary Australian market practice. Benefits are offered regardless of full-time or part-time employment status, but may be pro-rated in the case of leave and life insurance benefits which are based on the employee's regular salary level. Temporary employees engaged via a labour hire agency or contracting agreement receive benefits from their primary employer, the cost of which is factored into the hourly rate or service fee paid by Dexus. Temporary employees are not eligible for the following benefits: leave benefits, life and disability insurance, membership to the corporate discount program, study assistance. |
| | 401-3 | Parental leave | Sustainability Report – Sustainability Performance Pack, pages 24-31 – Thriving People Sustainability Report – Sustainability Data Appendix, page 69 – Thriving People, Retention Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 119 | |
| GRI 402: Labour-management relations 2016 | 402-1 | Minimum notice periods regarding operational changes | Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 118 | Notice periods at Dexus vary depending upon level of seniority of the role. The position of CEO must provide 6 months' notice of intention to resign and Executive General Management Committee members must provide three months' notice of their intention to resign from their respective positions. The minimum notice period for termination of employment is two weeks' during probation and one month notice once ongoing employment has been confirmed. |
| GRI 404: Training and education 2016 | 404-1 | Average hours of training per year per employee | Sustainability Report – Sustainability Data Appendix, page 70 – Thriving People, Training and development | |
| | 404-2 | Programs for upgrading employee skills and transition assistance programs | Sustainability Report – Sustainability Performance Pack, pages 24-31 – Thriving People Sustainability Report – Sustainability Data Appendix, page 70 – Thriving People, Training and development Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116-122 | |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | Sustainability Report – Sustainability Data Appendix, page 70 – Thriving People, Training and development | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|--|--|-------------------|
| Championing an inclusive and high performing culture | | | | |
| GRI 405: Diversity and equal opportunity 2016 | 405-1 | Diversity of governance bodies and employees | Sustainability Report – Sustainability Data Appendix, pages 63–65 – Thriving People, Inclusion and diversity | |
| | 405-2 | Ratio of basic salary and remuneration of women to men | Sustainability Report – Sustainability Data Appendix, page 71 – Thriving People, Remuneration ratios | |
| GRI 406: Non-discrimination 2016 | 406-1 | Incidents of discrimination and corrective actions taken | Sustainability Report – Sustainability Data Appendix, page 67 – Thriving People, Employee relations matters | |
| Prioritising safety and wellbeing in our workplace and at our assets | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Annual Report, pages 22–25 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116–122 Sustainability Report – Sustainability Approach and procedures, Future Enabled Customers and Strong Communities, pages 123–130 | |
| | 103-2 | The management approach and its components | Annual Report, page 6–11 – Chair and CEO Review Annual Report, page 22–25 – Key risks Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 28–29 – employee health and safety Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 126 – customer and occupant health and safety Sustainability Report – Sustainability Approach and Procedures, Supply Chain, page 136 – contractor health and safety | |
| | 103-3 | Evaluation of the management approach | Annual Report, page 6–11 – Chair and CEO Review Annual Report, pages 42–45 – People and capabilities Sustainability Report – Sustainability Data Appendix, page 67 – Thriving People, Work Health and Safety | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|--|--------|---|---|--|
| Prioritising safety and wellbeing in our workplace and at our assets | | | | |
| GRI 403: Occupational Health and Safety 2018 (management approach disclosures) | 403-1 | Occupational health and safety management system | Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 120-122 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 126 | |
| | 403-2 | Hazard identification, risk assessment, and incident investigation | Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 121 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 126 | |
| | 403-3 | Occupational health services | Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 120-122 | |
| | 403-4 | Worker participation, consultation, and communication on occupational health and safety | Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 121 | |
| | 403-5 | Worker training on occupational health and safety | Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 121 | |
| | 403-6 | Promotion of worker health | Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 120-122 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 126 | |
| | 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Sustainability Report – Sustainability Approach and Procedures, Supply Chain, page 136 | |
| GRI 403: Occupational health and safety 2018 (topic-specific disclosures) | 403-8 | Workers covered by an occupational health and safety management system | Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 120-122 Sustainability Report – Sustainability Data Appendix, page 67 – Thriving People | |
| | 403-9 | Work-related injuries | Sustainability Report – Sustainability Data Appendix, page 67 – Thriving People | |
| | 403-10 | Work-related ill health | Sustainability Report – Sustainability Data Appendix, page 67 – Thriving People | Dexus employees are not involved in occupational activities that have a high incidence or high risk of specific diseases |
| GRI 416: Customer health and safety 2016 | 416-1 | Assessment of the health and safety impacts of product and service categories | Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, page 126 – customer and occupant health and safety Annual Report, page 42 – People and capabilities, safety audit score | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|--|--------|--|---|-------------------|
| Maintaining a portfolio resilient to the physical impacts of climate change | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Annual Report, pages 22-25 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 | |
| | 103-2 | The management approach and its components | Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment | |
| | 103-3 | Evaluation of the management approach | Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 146 – Evaluation and process improvement Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment | |
| GRI 201: Economic Performance 2016 | 201-2 | Financial implications and other risks and opportunities due to climate change | Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment Towards Climate Resilience, pages 19-21 – Climate-related issues | |
| Managing the use of resources efficiently | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Annual Report, pages 22-25 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 137 | |
| | 103-2 | The management approach and its components | Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment | |
| | 103-3 | Evaluation of the management approach | Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 146 – Evaluation and process improvement Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|---------|--|---|--|
| Managing the use of resources efficiently | | | | |
| GRI 302: Energy 2016 | 302-1 | Energy consumption within the organisation | Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment – Group managed portfolio – environmental inventory | |
| | 302-2 | Energy consumption outside of the organisation | | Information on upstream energy consumption outside Dexu's organisation boundary relates to energy consumed by suppliers providing products and services to Dexu. Dexu has engaged with key suppliers to request information, and suppliers have stated that energy data is not available. Downstream energy consumption relates to energy consumption by tenants occupying Dexu buildings. Dexu collects data for tenants across a proportion of properties, however this data falls outside of the operational control boundary used for public disclosure. |
| | 302-3 | Energy intensity | Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment – Group managed portfolio – Consumption/ emissions on an intensity basis | |
| | 302-4 | Reduction of energy consumption | Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 | |
| | 302-5 | Reductions in energy requirements of products and services | Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 Sustainability Report – Sustainability Performance Pack, page 54 – Enriched Environment, Green Star and National Australian Built Environment Ratings System (NABERS) | |
| Sector Disclosure: Construction and Real Estate Sector Disclosures 2016 | G4-CRE1 | Building energy intensity | Sustainability Report – Sustainability Performance Pack, page 44 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 75-97 – Enriched Environment | Building energy intensity is reported in megajoules per square metre rather than kilowatt-hours per square metre. |
| GRI 303: Water and Effluents 2018 | 303-1 | Interactions with water as a shared resource | Sustainability Report – Sustainability Approach and Disclosures, page 142 – Enriched Environment, Water use | |
| | 303-2 | Management of water discharge-related impacts | Sustainability Report – Sustainability Approach and Disclosures, page 142 – Enriched Environment, Water use | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|--|--------|--|--|-------------------|
| Managing the use of resources efficiently | | | | |
| GRI 303: Water and Effluents 2018 | 303-3 | Water withdrawal | Sustainability Report – Sustainability Data Appendix, page 83, Enriched Environment – Water consumption by source Sustainability Report – Sustainability Approach and Disclosures, page 142 – Enriched Environment, Water use | |
| | 303-4 | Water discharge | Sustainability Report – Sustainability Approach and Disclosures, page 142 – Enriched Environment, Water use | |
| | 303-5 | Water consumption | Sustainability Report – Sustainability Data Appendix, page 83, Enriched Environment – Water consumption by source | |
| GRI 306: Waste 2020 | 306-1 | Waste generation and significant waste-related impacts | Sustainability Report – Sustainability Approach and Disclosures, page 143 – Enriched Environment, Waste management | |
| | 306-2 | Management of significant waste-related impacts | Sustainability Report – Sustainability Approach and Disclosures, page 143 – Enriched Environment, Waste management | |
| | 306-3 | Waste generated | Sustainability Report – Sustainability Data Appendix, page 84 | |
| | 306-4 | Waste diverted from disposal | Sustainability Report – Sustainability Data Appendix, page 84 Sustainability Report – Sustainability Approach and Procedures, page 143 – Enriched Environment, Waste management | |
| | 306-5 | Waste directed to disposal | Sustainability Report – Sustainability Data Appendix, page 84 | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|---------|--|---|---|
| Supporting the transition to a low carbon economy through net zero emissions | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Annual Report, pages 22-25 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 137 | |
| | 103-2 | The management approach and its components | Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment | |
| | 103-3 | Evaluation of the management approach | Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 146 – Evaluation and process improvement Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment | |
| GRI 305: Emissions 2016 | 305-1 | Direct (Scope 1) GHG emissions | Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment Reporting criteria | |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment Reporting criteria | |
| | 305-3 | Other indirect (Scope 3) GHG emissions | Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment Reporting criteria | |
| | 305-4 | GHG emissions intensity | Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment | |
| | 305-5 | Reduction of GHG emissions | Sustainability Report – Sustainability Performance Pack, pages 44-54 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 75-97, Enriched Environment Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146 | |
| GRI 305: Emissions 2016 | 305-6 | Emissions of ozone-depleting substances (ODS) | Sustainability Report – Sustainability Data Appendix, page 85 – Enriched Environment – Emissions of ozone depleting substances | |
| | 305-7 | Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions | | In FY20 Dexus estimates it emitted the following air emissions through combustion of natural gas and diesel within generators, cogeneration engines and fire pumps: 18.6 tonnes of Nitrogen oxides (NOx), 4.9 tonnes of Carbon Monoxide (CO), 0.1 tonne of Sulphur Dioxide (SOx), 0.9 tonne of particulate matter ≤ 2.5µm, 0.9 tonne of particulate matter ≤ 10µm, and 0.7 tonne of volatile organic compounds (VOCs) |
| Sector Disclosure: Construction and Real Estate Sector Disclosures 2016 | G4-CRE3 | Greenhouse gas emissions intensity from buildings | Sustainability Report – Sustainability Performance Pack, page 44 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 75-97 – Enriched Environment | |

Deploying smart building technology to enhance the customer experience

| | | | |
|--|-------|--|--|
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Annual Report, pages 22-25 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality |
| | 103-2 | The management approach and its components | Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, pages 123-129 Sustainability Report – Sustainability Performance Pack, pages 33-37 – Future Enabled Customers |
| | 103-3 | Evaluation of the management approach | Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, pages 123-129 Sustainability Report – Sustainability Performance Pack, pages 33-37 – Future Enabled Customers Sustainability Report – Sustainability Data Appendix, page 72, Future Enabled Customers and Strong Communities |
| GRI 418: Customer Privacy 2016 | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Sustainability Report – Sustainability Data Appendix, page 67 |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|--|--|--|
| Ensuring high standards of corporate governance and transparency | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Annual Report, pages 22-25 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Corporate Governance Statement, page 15 – Principle 5 – Make timely and balanced disclosure | |
| | 103-2 | The management approach and its components | The management approach and its components Corporate Governance Statement, page 15 – Principle 5 – Make timely and balanced disclosure Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 100-107 Annual Report, page 155 – Investor Information | |
| | 103-3 | Evaluation of the management approach | Corporate Governance Statement, page 15 – Principle 5 – Make timely and balanced disclosure Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 13 – Evaluation and process improvement Annual Report, page 155 – Investor Information | |
| GRI 102: Ethics and integrity 2016 | 102-17 | Mechanisms for advice and concerns about ethics | Corporate Governance Statement, pages 12-13 – Principle 3 – Act Ethically and Responsibly Corporate Governance Statement, page 14 – Principle 4 – Safeguard Integrity in Corporate Reporting Corporate Governance Statement, page 17 – Principle 7 – Recognise and Manage Risk Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 100-107 Whistleblower Policy | |
| GRI 102: Governance 2016 | 102-25 | Conflicts of interest | Dexus website – policies Corporate Governance Statement, pages 6-11 – Principle 2 – Structure the Board to add value Corporate Governance Statement, pages 12-13 – Principle 3 – Act Ethically and Responsibly Annual Report, page 89 – Directors' directorships in other listed entities | Dexus has strict policies which address conflicts of interest including: Director Code of Conduct; Employee Code of Conduct; Conflicts of Interest – Personal Policy (including gifts and entertainment); Securities Trading Policy (including Inside Information); and Gifts and Entertainment. Potential conflicts and related party transactions are overseen by the Compliance Manager and are reported on a regular basis to the Board. |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|--|--|--|
| Ensuring high standards of corporate governance and transparency | | | | |
| GRI 205: Anti-corruption 2016 | 205-1 | Operations assessed for risks related to corruption | Corporate Governance Statement , page 17 – Principle 7 – Recognise and manage risk – 7.2 Risk management | Each year Dexus completes a review of its risk management framework that encompasses 100% of employees. Risk management policies, procedures and governance committee structure were reviewed to ensure continuous improvement and to minimise the risk of ethical or corruption breaches. The review process involves the facilitation of risk workshops with senior management to review and update the risk register. Dexus has a Fraud, Corruption and Bribery (Prevention and Awareness) Policy that outlines its commitment to ethical behaviour. |
| | 205-2 | Communication and training about anti-corruption policies and procedures | Directors' Code of Conduct Corporate Governance Statement , pages 6-11 – Principle 2 – Structure the Board to add value – 2.8 Access to training and information Corporate Governance Statement , pages 12-13 – Principle 3 – Act ethically and responsibly Corporate Governance Statement , page 17 – Principle 7 – Recognise and manage risk – 7.2 Risk management Sustainability Report – Sustainability Data Appendix , page 62-71 – Thriving People | Dexus board members are required to adhere to the Directors' Code of Conduct. Directors must comply with the legal framework governing the operations of Dexus which includes anti-corruption policies and procedures. Dexus conducts annual risk and sustainability roadshows with our key business partner CBRE nationally. |
| | 205-3 | Confirmed incidents of corruption and actions taken | Sustainability Report – Sustainability Data Appendix , page 62-71 – Thriving People | |
| GRI 206: Anti-competitive behaviour 2016 | 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | | There were no legal actions brought against Dexus for anti-competitive, anti-trust or monopoly practices in FY20. |
| GRI 307: Environmental Compliance 2016 | 307-1 | Non-compliance with environmental laws and regulations | | In FY20, Dexus recorded no significant incidents of non-compliance with environmental laws and/or regulations. Dexus did not receive and fines or non-monetary sanctions and had no legal cases concerning environmental issues brought against it. |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|--|--|---|
| Ensuring high standards of corporate governance and transparency | | | | |
| GRI 415: Public Policy 2016 | 415-1 | Political contributions | Sustainability Report – Sustainability Approach and Procedures, page 114 Dexus website – Memberships with industry associations and affiliations | Dexus does not give any contributions – financial or in-kind – to political parties or politicians. During FY20 Dexus contributed \$357,102 to trade associations for memberships and event sponsorships. Dexus's alignment towards trade associations views on key sustainability topics is detailed within Dexus's 2020 CDP Report. Dexus is a member of various industry associations that promote best practice, advocate for policy reforms or otherwise enhance the property sector or geographical markets in which we operate. Key industry memberships and sponsorships include: Property Council of Australia, Green Building Council of Australia, Global Real Estate Sustainability Benchmark, Better Buildings Partnership, Principles for Responsible Investment, RE100, Investor Group on Climate Change, Australasian Investor Relations Association, Committee for Sydney, Melbourne Chamber of Commerce, NSW Business Chamber, Urban Land Institute and the Asia Pacific Real Estate Association. |
| GRI 417: Marketing and labelling 2016 | 417-1 | Requirements for product and service information and labelling | Supplier Code of Conduct, page 4 – Sustainable/ethical purchasing policies and products | |
| | 417-2 | Incidents of non-compliance concerning product and service information and labelling | | Dexus recorded no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes in FY20. |
| | 102-44 | Results of surveys measuring customer satisfaction | Sustainability Report – Sustainability Performance Pack, pages 33–37 – Future Enabled Customers Sustainability Report – Sustainability Data Appendix, page 72 – Future Enabled Customers and Strong Communities | |
| GRI 419: Socio-economic compliance | 419-1 | Non-compliance with laws and regulations in the social and economic area | | Dexus recorded no significant fines or sanctions for non-compliance with social or economic laws or regulations in FY20. |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|---|---|--|
| Upholding a social licence to operate by meeting stakeholder expectations for sustainability performance | | | | |
| GRI 103: Management Approach 2016 | 103-1 | Explanation of the material topic and its Boundary | Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, pages 123-130 – Future Enabled Customers and Strong Communities | |
| | 103-2 | The management approach and its components | Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, Strong Communities, Supply Chain, pages 123-136 Sustainability Report – Sustainability Performance Pack, pages 32-43 – Future Enabled Customers and Strong Communities | |
| | 103-3 | Evaluation of the management approach | Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130-136 Sustainability Report – Sustainability Performance Pack, pages 32-43 – Future Enabled Customers and Strong Communities Sustainability Report – Sustainability Data Appendix, pages 123-130, Future Enabled Customers and Strong Communities | |
| GRI 204: Procurement Practices 2016 | 204-1 | Proportion of spending on local suppliers | | 100% of operational expenditure for the group's managed portfolio are Australian based suppliers (includes Australian divisions of international companies). |
| GRI 304: Biodiversity 2016 | 304-2 | Significant impacts of activities, products, and services on biodiversity | Sustainability Report – Sustainability Performance Pack, page 52 – Enriched Environment, Biodiversity | The Dexus Biodiversity Policy sets out how Dexus protects and enhances biodiversity through its activities. |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 | New suppliers that were screened using environmental criteria | Sustainability Report – Sustainability Performance Pack, pages 40-43 – Supply chain management Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130-136 | |
| | 308-2 | Negative environmental impacts in the supply chain and actions taken | | In FY20 Dexus did not receive any complaints or grievances regarding negative environmental impact due to supplier and service provider activities. |
| GRI 410: Security Practices | 410-1 | Security personnel trained in human rights policies or procedures | Sustainability Report – Sustainability Approach and Procedures, pages 130-136 – Supply Chain 2020 Modern Slavery Statement | |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|--------|--|--|---|
| Upholding a social licence to operate by meeting stakeholder expectations for sustainability performance | | | | |
| GRI 412: Human Rights Assessment 2016 | 412-1 | Operations that have been subject to human rights reviews or impact assessments | Sustainability Report – Sustainability Performance Pack, pages 40–43 – Supply chain management Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116–122 Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130–136 Sustainability Report – Sustainability Performance Pack, page 14 2020 Modern Slavery Statement | |
| | 412-2 | Employee training on human rights policies or procedures | Sustainability Report – Sustainability Data Appendix, page 70 – Thriving People, Training and development Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 116–122 Human Rights Policy 2020 Modern Slavery Statement | |
| | 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Sustainability Report – Sustainability Performance Pack, pages 40–43 – Supply chain management Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130–136 | |
| GRI 413: Local Communities 2016 | 413-1 | Operations with local community engagement, impact assessments, and development programs | Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 123–130 Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 108–115 | |
| | 413-2 | Operations with significant actual and potential negative impacts on local communities | Sustainability Report – Sustainability Performance Pack, pages 38–39 – Strong Communities | No potential or actual material negative impacts identified. Positive impacts are reported at the referenced location. |
| GRI 414: Supplier Social Assessment 2016 | 414-1 | New suppliers that were screened using social criteria | Sustainability Report – Sustainability Performance Pack, pages 40–43 – Supply chain management Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130–136 | |
| | 414-2 | Negative social impacts in the supply chain and actions taken | Sustainability Report – Sustainability Performance Pack, pages 40–43 – Supply chain management Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130–136 | In FY20 Dexs continued to monitor industry dialogue regarding labour practices and the potential impacts within its supply chain, with no material impacts identified through monitoring of suppliers. Dexs continues to enhance its supplier engagement and assessment process to improve data collection and reporting regarding supplier performance including labour practices. |

| GRI Standard | Number | Disclosure | Reference | Remarks/Omissions |
|---|---------|---|-----------|--|
| Upholding a social licence to operate by meeting stakeholder expectations for sustainability performance | | | | |
| Sector Disclosure: Construction and Real Estate Sector Disclosures 2016 | G4-CRE7 | Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project | | No people were physically displaced as a result of Dexus operations. |

Sustainability Assurance Statement



Independent limited assurance report

What we found

Based on the work described below, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended 30 June 2020 has not been prepared, in all material respects, in accordance with the Assurance Criteria.

To the Board of Directors of Dexus Funds Management Limited,

What we did

Dexus Funds Management Limited (**Dexus**) engaged PricewaterhouseCoopers (**PwC**) to perform a limited assurance engagement on the preparation of selected Subject Matter contained within their 2020 Sustainability Report and 2020 Annual Report in accordance with the Assurance Criteria for the year ended 30 June 2020.

Selected Subject Matter

The Subject Matter included within the scope of our engagement comprised the following performance metrics contained within the 2020 Sustainability Report and 2020 Annual Report presented at: www.dexus.com/2020-sustainability-report; and www.dexus.com/2020-dexus-annual-report.

- Total net energy consumption **642,190 GJ**
- Total Scope 1, 2 and 3 location-based greenhouse gas (GHG) emissions **164,046 tCO₂-e**
- Total Scope 1, 2 and 3 market-based GHG emissions **155,618 tCO₂-e**
- Total square metres of net lettable area that has achieved 5 stars NABERS Energy or higher (excluding GreenPower) **1,053,157 sqm**
- Total square metres of net lettable area that has achieved 4 stars NABERS Water or higher **1,058,585 sqm**
- Total water usage **1,523,195 kL**
- Total waste to landfill and recycling **12,998 t**
- Percentage of female employees (FTE) **54%**
- Percentage of females in senior management (headcount) **36%**
- Percentage of female Non-Executive Directors **37.5%**
- Absentee rate **2.4**
- Lost time injury frequency rate **0**

Assurance Criteria

The criteria against which we assessed the Subject Matter was prepared by Dexus and is titled 2020 Assurance Criteria Document presented at: <http://www.dexus.com/who-we-are/corporate-responsibility-and-sustainability/reports> and included as Appendix 1 to our Assurance Report.

Independence and Quality Control

We have complied with relevant ethical requirements related to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PwC applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

Restriction on use

This report has been prepared in accordance with our engagement terms to assist Dexus in reporting its sustainability performance.

Our report is intended solely for the Directors of Dexus. We do not accept or assume responsibility for the consequences of any reliance on this report for any other purpose or to any other person or organisation.

Any reliance on this report by any third party is entirely at its own risk. We consent to the inclusion of this report within the 2020 Integrated Online Reporting Suite presented at: <http://www.dexus.com/who-we-are/corporate-responsibility-and-sustainability/reports> to assist Dexus' members in assessing whether the directors have discharged their responsibilities by commissioning an independent assurance report in connection with the selected Subject Matter.

We accept no responsibility for the integrity and security of the Dexus website, which is the responsibility of Dexus management. This report is not intended to relate to, or to be read in conjunction with, any information that may appear on the Dexus website other than the Subject Matter and Assurance Criteria. Readers of this report on the Dexus website (who may read it for their information only) should bear in mind the inherent risk of the website changing after the date of our report.

Responsibilities

PricewaterhouseCoopers

Our responsibility is to express a conclusion based on the work we performed.

Dexus

Dexus management is responsible for the preparation and presentation of the Subject Matter in accordance with the Assurance Criteria.

What our work involved

We conducted our work in accordance with the Australian Standard on Assurance Engagements 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Australian Standard on Assurance Engagements and Australian Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements*. These standards require that we comply with independence and ethical requirements and plan the engagement so that it will be performed effectively.

Main procedures performed

Our procedures consisted primarily of:

- Undertaking enquiries of management regarding the processes and controls for capturing, collating and reporting the Subject Matter;
- Reconciling the Subject Matter with Dexus underlying records;
- Agreeing underlying records back to supporting third party documentation on a sample basis;
- Undertaking analytical review procedures over data and obtaining explanations from management regarding unusual or unexpected amounts;
- Assessing the reasonableness of any material estimates made in preparing the Subject Matter;
- Assessing the appropriateness of the GHG emission factors applied in calculating the Total Scope 1, 2 and 3 GHG emissions and testing the arithmetical accuracy of the GHG emission calculations; and
- Reviewing Dexus' Assurance Criteria to ensure that it is appropriate for assurance and assessing the preparation and collation of the Subject Matter against the Assurance Criteria.

We believe that the information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Caroline Mara
Partner
19 August 2020

Liability limited by a scheme approved under Professional Standards Legislation

PricewaterhouseCoopers
Newcastle

Limited assurance

This engagement is aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement.

Professional standards require us to use negative wording in the conclusion of a limited assurance report.

2020 reporting criteria



Criteria for reporting on selected information included within the scope for assurance

The following criteria were used by Dexus to prepare the selected subject matter assured by PricewaterhouseCoopers (PwC) included within the 2020 Dexus Sustainability Performance Pack set out below.

| Section of Sustainability Reporting | Matter subject to assurance |
|--|--|
| Environment <ul style="list-style-type: none"> Group environmental summary | <ul style="list-style-type: none"> Total scope 1, 2 and 3 location-based greenhouse gas (GHG) emissions (t CO₂-e) Total Scope 1, 2 and 3 market-based greenhouse gas (GHG) emissions (t CO₂-e) Total net energy consumed (electricity, natural gas, diesel, solar) (GJ) Water consumed (kL) Total waste (tonnes) |
| Environment <ul style="list-style-type: none"> NABERS | <ul style="list-style-type: none"> Total square metres of net lettable area that has achieved 5 stars NABERS Energy or higher (excluding GreenPower) Total square metres of net lettable area that has achieved 4 stars NABERS Water or higher |
| Employees <ul style="list-style-type: none"> Work statistics Engagement and leave Work health & safety, and discrimination | <ul style="list-style-type: none"> HR Indicators <ul style="list-style-type: none"> Percentage of female employees Percentage of females in senior management Percentage of female non-executive directors Absentee rate (days per employee) Safety indicators <ul style="list-style-type: none"> Lost time injury frequency rate |

Dexus believes that underlying data presented for other areas of the 2020 Annual Report is sound.

Parameters used in the preparation of the subject matter – Group environmental inventory

Dexus applied the following parameters in calculating the reported GHG emissions, energy and water consumption data, and waste data described above:

| Item | Description |
|--------------------|--|
| Reporting period | 1 July 2019 to 30 June 2020 |
| Reporting boundary | <p>Unless otherwise stated, Dexus applied the principles contained within the <i>National Greenhouse and Energy Reporting Act 2007</i> (NGERA) and its associated guidelines. Unless otherwise stated below, the reporting boundary comprises those facilities in Australia which fall under the operational control of members of the group of which Dexus Holdings Limited is the controlling corporation for part of or all of the 12 months ending June 30, 2020.</p> <p>The operations covered under the scope of reporting are consistent with Dexus's operation as a property business, being:</p> <ol style="list-style-type: none"> Property investment including directly owned assets and assets managed on behalf of third party investors. Property investment comprises: <ol style="list-style-type: none"> Office assets Industrial assets |

c. Retail assets.

2. **Occupied premises** being Dexu's occupied tenancies.

Property development is excluded from the boundary of operational control for Australia. Operational control of the development site is handed over at Practical Completion of the development.



Total Scope 1, 2 and 3 location-based GHG emissions

Total Scope 1, 2, and 3 GHG emissions comprises emissions within the reporting boundary for Australia as calculated using the formula below:

$$\begin{aligned} \text{Total Scope 1, 2, and 3 location based GHG emissions} \\ = \text{Scope 1 GHG Emissions} + \text{Scope 2 location based GHG Emissions} \\ + \text{Scope 3 location based GHG Emissions} \end{aligned}$$

Where:

Scope 1 GHG Emissions, Scope 2 location based GHG Emissions and Scope 3 location based GHG Emissions are as defined within this criterion.

'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and have been adopted by the NGERA.

Reporting is in alignment with the NGERA and its associated guidelines with the exception of Scope 3 GHG emissions as described below. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).

Total Scope 1, 2 and 3 market-based GHG emissions

Total Scope 1, 2, and 3 GHG market-based emissions comprises emissions within the reporting boundary for Australia as calculated using the formula below:

$$\begin{aligned} \text{Total 1, 2, and 3 market based GHG emissions} \\ = \text{Scope 1 GHG Emissions} + \text{Scope 2 market based GHG Emissions} \\ + \text{Scope 3 market based GHG Emissions} \end{aligned}$$

Where:

Scope 1 GHG Emissions, Scope 2 market based GHG Emissions and Scope 3 market based GHG Emissions are as defined within this criterion.

'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and have been adopted by the NGERA. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).

Scope 1 GHG emissions

Scope 1 emissions (direct emissions) comprise GHG emission under associated with fuel combustion and use of hydrofluorocarbons for the following sources:

- **Natural gas** (used for heating air and water). Natural gas data is derived from supply authority billing. Meter data and/or estimated data is applied based on Dexu's methodology, set out below, if billing data is unavailable at the time of reporting.
- **Diesel Oil (Diesel)**. Diesel data is collected from site operations managers and is sourced from delivery invoices for diesel purchases and periodic diesel tank level readings. Billing data and/or estimated data is applied based on Dexu's methodology if billing data is unavailable at the time of reporting.
- **Refrigerant gases** (used within air conditioning equipment). The data for refrigerant gases is derived from a refrigerant register that lists all equipment under Dexu's operational control containing hydrofluorocarbons reportable under NGERA.

Dexu does not have company fleet vehicles and no vehicle related emissions have been reported.

Scope 1 emissions have been calculated according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2019*.

Scope 2 location-based GHG emissions

Scope 2 location-based GHG emissions comprise indirect GHG emissions associated with grid-purchased electricity used for lighting and power. The data is provided by supply authority billing. Meter and/or estimated data is applied based on Dexu's methodology if billing data is unavailable at the time of reporting.

Scope 2 emissions have been calculated using published average grid emission factors according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2019*.

| | |
|--|---|
| Scope 2 GHG market-based GHG emissions | <p>Scope 2 GHG market-based emissions comprise indirect GHG emissions associated with grid-purchased electricity used for lighting and power. The data is provided by supply authority billing. Meter and/or estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting.</p> <p>'Market-based' Scope 2 emissions involve separate accounting for any type of energy or energy attributed to a purchase via a contractual instrument, using source-based scope 2 emission factors evidenced by electricity attribute certificates, as defined within <i>The Greenhouse Gas Protocol: Scope 2 Guidance</i>.</p> <p>Dexus has separated its electricity purchases into three categories for emissions calculations:</p> <p>Renewable electricity:</p> <ul style="list-style-type: none"> - 'Supplied renewable electricity' supplied as a proportion of total grid purchases from energy retailers within electricity supply arrangements, which involves retailers surrendering Large Scale Generation Certificates (LGCs) for electricity consumed by Dexus in line with Australia's Renewable Energy Target (RET). These are evidenced by electricity supply agreements and tax invoices for supply of electricity, as defined below - 'Additional voluntary renewable electricity' purchases made by Dexus that can be accounted using source-based scope emission factors evidenced by <i>electricity attribute certificates</i> obtained and surrendered by or on behalf of Dexus, as defined below <p>Non-renewable electricity:</p> <ul style="list-style-type: none"> - 'Remaining electricity' which is deemed to be derived from fossil fuels, where emissions are accounted for by applying state-based 'residual mix factors', as defined below |
|--|---|

Where:

Electricity supply agreements and tax invoices – agreements between Dexus and electricity retailers for the supply of electricity, and subsequent invoices issued that state the volume of electricity consumed. These agreements and tax invoices include details for the sourcing of LGCs in line with retailer requirements under the RET, with Dexus being the end-consumer of electricity.

Energy attribute certificates – instruments have been developed to track energy production information (or its "attributes") separately from actual energy delivery. These instruments typically flow from energy generation facilities to energy suppliers and ultimately energy consumers in order to support consumer claims about the type of energy used and its related attributes.

Dexus recognises the following schemes and certificates as energy attribute certificates and has applied the nominated GHG emission coefficients listed in the table below for quantities of electricity purchased and consumed, or volumes of certificates that retired under these schemes.

| Energy attribute certificate scheme | Scope 2 emission factor | Scope 3 emission factor | Evidence |
|---|-------------------------|---|--|
| GreenPower – electricity generated under the National GreenPower Accreditation Program (https://www.greenpower.gov.au/) | 0 | 0 | Tax invoices for the purchase of GreenPower with retirement managed by the GreenPower provider |
| Large Scale Generation Certificates (LGCs) created by accredited renewable energy power stations under Australia's Renewable Energy Target, administered by the Clean Energy Regulator | 0 | 0 | Electricity tax invoices for 'bundled LGCs', supported by electricity contracts Tax invoices for the purchase of additional LGCs and records of retirements of certificates in their relevant registries. |
| Contracts for electricity, such as power purchase agreements (PPAs) not involving GreenPower nor LGCs, and contracts from specified sources, where electricity attribute certificates do not exist or are not required for a usage claim. | Source specific | State-based coefficients as per location-based accounting | Tax invoices or other equivalent energy attribute certificate. |

¹ For GreenPower and LGCs, a scope 3 emission factor = 0 is applied as losses are taken into account in the creation of LGC's in accordance with the GreenPower Program Rules Version 10, page 14 and <http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/Power-stations/Large-scale-generation-certificates/Large-scale-generation-certificate-eligibility-formula>

Renewable Power Percentage (RPP) – The renewable power percentage represents the number (or percentage) of LGCs each liable entity (i.e. electricity retailer) is required to surrender each year. Retailers in turn include the surrender of LGCs in electricity contracts, and as the end consumer of electricity, organisations like Dexus are receiving a proportion of total electricity in line with the RPP. Dexus is applying the RPP as a close proxy for the national proportion of renewable energy supplied to consumers via their electricity arrangements.



The RPP is published annually by Australia's Clean Energy Regulator:
<http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/the-renewable-power-percentage>

Market-based 'residual mix' factors – emissions factors relating to fossil fuel electricity generators, and are derived from the published state-based grid emissions factors (location-based factors), and scaled for the proportion of electricity generated from fossil fuels by subtracting the Renewable Power Percentage (RPP) from total (or 100%) of electricity supplied, as follows:

$$\text{Residual Mix Factor emissions coefficient} = \frac{\text{location based grid factor}}{(100\% - \text{RPP})}$$

Scope 2 'location-based' grid factors have been sourced from the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2019*.

Scope 3 'location-based' grid factors have been sourced from the *National Greenhouse Accounts (NGA) Factors, August 2019*.


This approach has been adopted from the *Property Council Scope 2 workbook, v1 28 June 2019* published by the Property Council of Australia, however the calculations are applied individually to each state-based factor, rather than using a national approach.

This deviation has been adopted to maintain consistency with location-based reporting – noting that once the RPP is used to separate grid-supplied electricity into renewable and non-renewable, this approach results in equivalent emissions, should an organisation not make any additional voluntary renewable energy purchases.

Within this approach:

- Electricity attribute certificates acquired directly by Dexus and surrendered are deemed to be additional to those surrendered to meet RET obligations
- Given the interconnected nature of the National Electricity Market, it is assumed that the proportion of renewable energy is equitably distributed across Australia, including Western Australia

| | |
|--------------------------------------|---|
| Scope 3 location based GHG emissions | <p>Scope 3 location based emissions (other indirect emissions) comprise GHG associated with transmission and distribution losses ("energy losses") associated with energy use, waste sent to landfill, recycled waste, and water/wastewater use, and emissions from corporate operations including office paper use, corporate travel and employee commuting.</p> <p>Data sources:</p> <ul style="list-style-type: none"> - Data for energy losses is that used to calculate scope 1 and 2 emissions. - Data for waste to landfill and recycled waste is provided by waste contractors directly or collated by site managers from data provided by waste contractors. Estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting. - Data for water consumption is provided by water utilities. Estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting. - Data for corporate operations has been compiled in accordance with the <i>Climate Active Carbon Neutral Standard for Organisations, 15 November 2019</i>. <p>Emissions factors and calculations:</p> <ul style="list-style-type: none"> - Scope 3 emissions for energy and waste to landfill have been calculated according to the <i>National Greenhouse Accounts (NGA) Factors, August 2019</i>. - Scope 3 emissions for recycled waste have been calculated according to <i>Department of Sustainability, Environment, Water, Population and Communities: A study into commercial & industrial (C&I) waste and recycling in Australia by industry division: 2013, Table 21: Greenhouse gas impacts of landfilling and recycling materials</i>. - Scope 3 emissions for water/wastewater have been calculated using factors derived from the <i>Australian Bureau of Meteorology Urban National Performance Report 2019</i> http://www.bom.gov.au/water/npr/ - Emissions for corporate air travel have been calculated according to the 2019 <i>Government GHG Conversion Factors for Company Reporting</i> and associated 2019 <i>Carbon Factors</i> published by the United Kingdom's Department of Environment, Food and Rural Affairs (DEFRA). |
| Scope 3 market based GHG emissions | <p>As per the definition above, except that a scope 3 residual mix factor is used to calculate emissions for non-renewable electricity, in line with the Scope 2 market based GHG emissions definition.</p> <p>For GreenPower and LGCs, a scope 3 emission factor = 0 is applied as losses are taken into account in the creation of LGC's in accordance with the GreenPower Program Rules Version 10,</p> |

| | | |
|--------------------------------|---|---|
| | <p>page 14 and http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/Power-stations/Large-scale-generation-certificates/Large-scale-generation-certificate-eligibility-formula</p> | |
| Energy consumed | <p>Energy consumed comprises natural gas, diesel and electricity purchased by Dexus for facilities within the reporting boundary for Australia.</p> <p>Energy consumed also comprises secondary electricity that is generated from conversion of solar energy, and natural gas or diesel via combustion, for consumption within the facility.</p> <p>Energy consumed is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors specified within the <i>National Greenhouse and Energy Reporting (Measurement) Determination, July 2019</i>.</p> <p>Energy consumption has been based on quantities invoiced or metered by suppliers. Estimates are used when billing data is unavailable and these are based on Dexus's methodology, drawing from secondary sources such as meter data or based on seasonal historical estimates.</p> |  |
| Energy produced | <p>Energy produced comprises energy captured from natural sources and the manufacture of energy from transformation from another fuel source within Dexus for facilities within the reporting boundary for subsequent consumption onsite or export offsite.</p> <p>Energy produced comprises:</p> <ul style="list-style-type: none"> – Electricity production from solar radiation (solar PV). The data for electricity production from solar radiation is derived from site based sub meters. Estimated data is applied based on Dexus's methodology if meter data is unavailable at the time of reporting. – Electricity production from thermal generation (cogeneration and diesel generators). Data for electricity production from thermal generation is derived direct measurement or from incoming natural gas or diesel utility data that is multiplied by efficiency factors of 32% for natural gas and 40% for diesel, which represent the estimated electricity yield. Estimated data is applied based on Dexus's methodology if meter data is unavailable at the time of reporting. <p>Energy produced is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors specified within the <i>National Greenhouse and Energy Reporting (Measurement) Determination, July 2019</i>.</p> | |
| Total net energy consumed | Total net energy consumed is defined as the energy consumed minus the energy produced within the reporting boundary. | |
| Water consumption | <p>Water consumption is based on quantities invoiced or metered by suppliers.</p> <p>Water consumption comprises:</p> <ul style="list-style-type: none"> – Water purchased by Dexus from local water authorities and suppliers for assets for which Dexus has operational control – Recycled water from onsite greywater and blackwater treatment systems <p>Water consumption excludes water use from onsite rainwater harvesting.</p> | |
| Total waste | <p>Total waste is based on volume or weight quantities invoiced by waste contractors.</p> <p>Total waste comprises:</p> <ul style="list-style-type: none"> – Waste measured in weight that is sent to landfill by waste and cleaning contractors on behalf of Dexus and our customers for office and retail assets for which Dexus has operational control. – Recycling measured in weight that is diverted from landfill by waste and cleaning contractors on behalf of Dexus and our customers for office and retail assets for which Dexus has operational control. – Where waste and recycling data is based off volumes rather than actual weights, waste contractors use a predetermined density factor in order to report to Dexus in weight. Waste contractors may apply different density factors based on their historical analysis of different waste collection practices employed at Dexus facilities. For example, there may be variations in bin size and average bin fullness across different facilities. <p>Total waste excludes waste to landfill and recycling for industrial assets as Dexus does not have operational control over waste collection.</p> <p>Furthermore, waste data may be not available for all office and retail facilities. The site area of those facilities that have been reported represents 100% of the total lettable area of retail and office facilities.</p> | |
| Data confidence and estimation | <p>Where primary data such as utility invoices have not been received, estimates are applied using the following prioritised data methodology:</p> <ol style="list-style-type: none"> 1. 30-minute interval electricity, natural gas and water metering data supplied by MP/MDA Metering Dynamics | |

2. Estimated data using an estimate that accounts for seasonal variances derived by:
 - a. Derived from an actual figure for the same period in the prior year, adjusted for the length of the gap.
 - b. Derived from an actual figure for the prior month, adjusted for the length of the gap
 - c. Interpolation between two adjacent actual readings, adjusted for the length of the gap
3. Estimated data using the monthly average for the previous 12 month period.



Parameters used in the preparation of the subject matter – NABERS

Dexus applied the following parameters in calculating the reported coverage in square metres of properties that have attained a NABERS Energy rating of 5 stars or higher, and those that have achieved a NABERS Water rating of 4 stars or higher.

| Item | Description |
|---|---|
| Record Date | As at 30 June 2020 |
| Reporting boundary | Dexus applied the principles contained within the <i>National Greenhouse and Energy Reporting Act 2007</i> (NGERA) and its associated guidelines. Unless otherwise stated below, the reporting boundary comprises those facilities in Australia which fall under the operational control of members of the group of which Dexus Holdings Limited is the controlling corporation as at June 30, 2020. |
| Net lettable area | <p>Net Lettable Area (NLA) for the purpose of this definition is Dexus's measurement of the total occupiable floor space within building that it leases. It represents the internal floor space of a tenancy comprising the inside surfaces of the exterior walls and/or the mid-line of any shared walls and excludes areas such as common stair wells, toilets, lift lobbies and vertical service ducts.</p> <p>Dexus defines NLA in accordance with the Property Council of Australia's Method of Measurement for Commercial Property, which is the definitive industry guideline for measuring floor space area in leased premises and ensures a consistent approach is taken to calculating lettable areas across a range of building or industrial property types for property owners.</p> <p>NLA is measured via tenancy surveys and forms part of lease key terms, and is tracked within an operations database.</p> <p>It is noted that the NLA used for coverage calculations represents the maximum available leasable area as at the Record Date and does not reference the NABERS rated area as shown on NABERS Ratings Reports provided with certificates, as the NABERS rated area relates to occupancy at the point in time of certification.</p> |
| NABERS | <p>National Australian Built Environment Rating System administered by the NSW Office of the Environment and Heritage (https://www.nabers.gov.au/).</p> <p>NABERS is a national rating system that measures the environmental performance of Australian buildings, tenancies and homes. Put simply, NABERS measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment.</p> <p>NABERS compares the performance of a building to benchmarks that represent the performance of other similar buildings in the same location. A NABERS rating uses 12 months of real, measurable information about a building, such as energy and water bills or waste consumption data as the basis of its rating.</p> <p>NABERS Ratings use a star rating system to benchmark buildings on a scale from 0 to 6 stars. NABERS ratings have a validity period of 12 months.</p> |
| Total square metres of net lettable area that has achieved 5 stars NABERS Energy or higher (excluding GreenPower) | <p>In FY15, Dexus committed to deliver by 2020, 1,000,000 square metres of office space rated at least 5 star NABERS Energy rating. Total coverage, in square metres of properties that meet this criterion is calculated using the formula below:</p> $\text{Total square metres of net lettable area that has achieved 5 stars NABERS Energy or higher (Excluding GreenPower)} = \sum \text{Net lettable area of eligible properties with an eligible NABERS Energy rating as at the Record Date}$ <p>Where:</p> |

| | |
|---|---|
| <p>Eligible properties – Office properties that fall within the operating boundary as at the Record Date</p> <p>NABERS Energy rating – a certified NABERS Energy rating (excluding GreenPower) obtained for a specific property by an accredited assessor in accordance with the NABERS rating rules</p> <p>Eligible NABERS Energy rating means: a NABERS Energy rating of 5 stars or higher</p> <p>Net lettable area – as per the definition above, which represents the maximum leasable space in each property as at the Record Date</p> | |
| <p>Total square metres of net lettable area that has achieved 4 stars NABERS Water or higher</p> | <p>In FY15, Dexus committed to deliver by 2020, 1,000,000 square metres of office space rated at least 4 star NABERS Water rating. Total coverage, in square metres of properties that meet this criterion is calculated using the formula below:</p> $\text{Total square metres of net lettable area that has achieved 4 stars NABERS Water or higher} = \sum \text{Net lettable area of eligible properties with an eligible NABERS Water rating as at the Record Date}$ <p>Where:</p> <p>Eligible properties – Office properties that fall within the operating boundary as at the Record Date</p> <p>NABERS Water rating – a certified NABERS Water rating obtained for a specific property by an accredited assessor in accordance with the NABERS rating rules</p> <p>Eligible NABERS Water rating means: a NABERS Water rating of 4 stars or higher</p> <p>Net lettable area – as per the definition above, which represents the maximum leasable space in each property as at the Record Date</p> |



Parameters used in the preparation of the subject matter - Employees

Dexus applied the following parameters in calculating the reported workforce diversity statistics, absenteeism and safety statistics described above:

| Item | Description |
|--|---|
| Reporting period | 1 July 2019 to 30 June 2020 |
| Reporting boundary | <p>Unless otherwise stated below, the reporting boundary comprises employees ('Dexus workforce', 'Dexus employees') across facilities in Australia which fall under the operational control of members of the group of which Dexus Holdings Limited is the controlling corporation.</p> <p>The 'Dexus workforce' or 'Dexus employees' includes staff employed full-time, part-time, on fixed term contracts and on a casual basis and excludes independent consultants/service providers and temporary staff sourced via external agencies.</p> |
| Number of workers | <p>Number of workers - Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2020.</p> <p>Headcount data for the purpose of these statistics represents the active Dexus workforce and is based on the metric 'Total Headcount (ongoing)' as defined by the Australian Public Service Commission (https://www.apsc.gov.au/appendix-common-workforce-metrics), as the number of <i>ongoing</i> employees directly employed by Dexus at the point in time described above.</p> |
| Number of full time equivalent employees | <p>Number of full time equivalent employees (FTEs) - Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2020. Persons who were absent from work on extended paid or unpaid leave as recorded at 30 June 2020 are excluded from this calculation.</p> <p>FTE data for the purpose of these statistics represents the active Dexus workforce, and is based on the metric 'Total FTE' as defined by the Australian Public Service Commission (https://www.apsc.gov.au/appendix-common-workforce-metrics), as the number of full-time equivalent employees directly employed by the organisation at a point in time where part-time employees are converted to full-time equivalent based on the hours they work as a proportion of the hours for a full-time employee.</p> |
| Number of hours worked | <p>Number of hours worked in the period - Refers to the total scheduled number of hours of all Dexus employees as recorded at 30 June 2020. Dexus offers employees flexible work arrangements and staff are employed under individual contracts that stipulate 1824 hours per annum (equal to 240 days x 7.6 hours) for each full-time employee. As Dexus does not track employee working hours and staff do not engage in overtime or shift work,</p> |

| | |
|--|--|
| | Dexus has defined the 'number of hours worked' as 1824 hours per annum per full-time employee. |
| Percentage of female employees | <p>The percentage of female full time equivalent workers employed is calculated as follows:</p> $\text{Female employees (\%)} = \frac{\text{number of female full time equivalent workers}}{\text{total number of full time equivalent workers}}$ <p>Where:</p> <p>Number of full time equivalent workers – as defined above</p> <p>Number of female full time equivalent workers – A subset of the number of full time equivalent workers defined above who identify themselves as female</p> |
| Percentage of females in senior management | <p>'Senior Management team' includes <i>executive management and senior management positions</i> within the Dexus workforce.</p> <p>Where:</p> <p>Executive management and senior management positions include Dexus employees whose role is mapped to one of the following four occupational categories: 'CEO/head of business', 'KMP (key management personnel)', 'other executives/general managers', and 'senior managers', as outlined within worker classification guidance <i>Standardised occupational categories of managers: February 2018</i> published by the <i>Australian Government's Workplace Gender Equality Agency (WGEA)</i>. Refer to: https://www.wgea.gov.au/sites/default/files/standardised-categories-managers.pdf</p> <p>The percentage of females in senior management is calculated as follows:</p> $\text{Females in senior management (\%)} = \frac{\text{number of female senior managers}}{\text{total number of senior managers}}$ <p>Where:</p> <p>Number of senior managers – A subset of the total number of workers with a 'Senior Management team' corporate title as defined above</p> <p>Number of female workers – A subset of the number of senior managers defined above who identify themselves as female</p> |
| Percentage of female non-executive directors | <p>The percentage of female non-executive directors is calculated as follows:</p> $\text{Female non executive directors (\%)} = \frac{\text{number of female non executive directors}}{\text{total number of non executive directors}}$ <p>Where:</p> <p>Number of non-executive directors – The total number of non-executive directors of Dexus Holdings Limited as recorded at 30 June 2020</p> <p>Number of female non-executive directors – A subset of the number of non-executive directors defined above who identify themselves as female</p> |
| Absentee Rate | <p>Absentee Rate (AR) – the number of sick leave and carers leave days per full time equivalent workers employed is calculated as follows:</p> $AR = \frac{\text{number of Sick and Carers leave days}}{\text{number of full time equivalent employees}}$ <p>Where:</p> <p>Number of full time equivalent employees – as defined above</p> |
| Work health & safety definitions | <p>Work health and safety (WH&S) incidents account for all recorded incidents pertaining to Dexus employees and includes contractors employed directly by Dexus. All reported incidents in FY20 related to personal injury.</p> <p>The system of rules applied in recording and reporting accident statistics include <i>Australian Standard 1885.1 1990</i>, Workplace injury and disease recording standard as well as definitions within disclosure 403-2 from <i>GRI 403: Occupational Health and Safety 2018</i>, from the Global Reporting Initiative (GRI) Standards.</p> <p>No lost-time injuries/diseases – Those occurrences which were not lost-time injuries/diseases and for which first aid and/or medical treatment was administered</p> |



Lost-time injuries/diseases – Those occurrences that resulted in a fatality, permanent disability or time lost from work of one day/shift or more and is recorded via an approved workers compensation claim

Occupational disease – A disease arising from the work situation or activity (such as stress or regular exposure to harmful chemicals), or from a work-related injury

Fatalities – Fatalities that occur as a result of an injury or disease occurrence arising from the work situation or activity

Lost Time Injury
Frequency Rate (LTIFR)

Lost Time Injury Frequency Rate (LTIFR) - The number of occurrences of injury or disease for each one million hours worked is calculated as follows:

$$LTIFR = \frac{\text{number of lost time injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$$

Where:

Number of lost time injuries/diseases – the number of lost-time injuries/diseases recorded during the reporting period as defined above

Number of hours worked in the period – as defined above

Criteria for reporting on selected information not included within the scope for assurance

Dexus makes the following additional definitions to support additional environmental disclosure within its 2020 reporting:

| Item | Description |
|--|---|
| Total Net Scope 1, 2 and 3 GHG emissions | <p>Total GHG comprises Scope 1 GHG emissions + Scope 2 (market-based) GHG emissions + Scope 3 GHG emissions – GHG offsets within the reporting boundary for Australia, as defined within this criterion, where:</p> <p>'GHG offsets' comprises carbon offsets or carbon credits equivalent offset units eligible under the <i>Climate Active Carbon Neutral Standard for Organisations</i>, administered by the Australian Department of Industry, Science, Energy and Resources.</p> <p>The <i>Climate Active Carbon Neutral Standard for Organisations</i> provides a list of eligible offset units that have been assessed as meeting the Standard's offsets integrity principles. These principles are designed to ensure that eligible offset units represent genuine and credible emission reductions.</p> <p>GHG offsets are created by eligible projects under recognised schemes and each offset represents 1 tonne of abated or avoided carbon dioxide equivalent.</p> <p>GHG offsets are created and tracked through market registers.</p> <p>'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in <i>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard</i> and have been adopted by the NGERA.</p> <p>Reporting is in alignment with the NGERA and its associated guidelines with the exception of Scope 3 GHG emissions as described above. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).</p> |

19 August 2020

Directory

Dexus Diversified Trust

ARSN 089 324 541

Dexus Industrial Trust

ARSN 090 879 137

Dexus Office Trust

ARSN 090 768 531

Dexus Operations Trust

ARSN 110 521 223

Responsible Entity

Dexus Funds Management Limited

ABN 24 060 920 783

AFSL 238163

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Patrick Allaway

Penny Bingham-Hall

John C Conde AO

Tonianne Dwyer

Mark H Ford

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Website: linkmarketservices.com.au

Open Monday to Friday between 8.30am and 5.30pm (Sydney time). For enquiries regarding security holdings, contact the security registry, or access security holding details at www.dexus.com/investor-centre

Australian Securities Exchange

ASX Code: DXS

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