

# Board Environmental, Social and Governance (ESG) Committee



## Terms of Reference

### Authority

The Committee is accountable to and acts primarily as an advisory body to the Dexus Funds Management Limited ("DXFM") and Dexus Holdings Pty Limited ("DXH") Boards ("the Board"). The Committee does not, of itself, have the power or authority of the Board.

The Board ESG Committee will work with other Board Committees to assist the Board in fulfilling its responsibilities.

### Objectives

The objective of the Committee is to consider the material ESG issues relevant to the Group's business activities and support the Group in maintaining its position as a global leader in ESG performance.

The role of the Committee is to support 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 Committee acknowledges that the Board People & Remuneration Committee and Board Risk Committee also assist the Board in meeting its ESG responsibilities.

### Terms of Reference

General responsibilities of the Board ESG Committee include:

- Reviewing the performance and results of key ESG global benchmarks
- Overseeing the implementation of areas for improvement identified from ESG investor surveys and global benchmarks
- Considering emerging ESG issues to understand their materiality with regard to Dexus's long term value creation

#### Environmental

- Overseeing the delivery of Group environmental and sustainability initiatives and commitments, including performance, challenges and opportunities
- Reviewing the adequacy of Management's approach in the identification and management of environmental risks and opportunities, including climate-related issues
- Overseeing the delivery of the group's climate resilience strategy and disclosures relating to Taskforce on Climate-Related Financial Disclosures (TCFD)

The Committee acknowledges that the Board Risk Committee reviews the adequacy of Management's approach in the identification and management of environmental risks and opportunities, including climate-related issues.

#### Social

- Overseeing the implementation of Group social sustainability initiatives and commitments, including performance, challenges and opportunities, with a view to assessing their effectiveness in delivering social impact
- Overseeing Dexus's processes and mechanisms for building relationships with customers and other key stakeholders and understanding their expectations (including the identification and management of complaints from customers and third party capital partners)



- Reviewing the effectiveness of the Group's initiatives and policies that support human rights (including the abolition of modern slavery) in Dexus's operations and supply chain
- Reviewing and endorsing to the Board on an annual basis Dexus's Modern Slavery Statement

The Committee acknowledges that the Board People & Remuneration Committee has oversight of Dexus's inclusion, diversity and general people & culture practices and related frameworks. The Committee will keep abreast of key areas of focus.

#### **Governance**

- Overseeing the reputational impacts of the Group's business strategies and practices
- Overseeing the Group's policies and initiatives to ensure appropriate safeguards are in place for dealing fairly and ethically with third party capital partners, suppliers and other stakeholders
- In collaboration with the Board Risk Committee, reviewing and endorsing to the Board on an annual basis the material issues that define the boundary for Dexus's ESG strategy and reporting
- Reviewing and endorsing to the Board on an annual basis Dexus's Sustainability Performance Pack and the Group's ESG achievements and future commitments
- Reviewing and endorsing to the Board the group's Corporate Governance Statement

The Committee acknowledges that the Board has oversight of Dexus's corporate governance practices and will keep abreast of key focus areas.

The Committee will review findings of relevant internal audits where the audit relates to a Board ESG Committee key risk.

The Committee will have oversight of the process for identification of material risks in the areas of remit of the Committee and the adequacy and effectiveness of the controls in place to mitigate those risks.

#### **Members**

- At least three Independent Directors
- Members of the Committee have the ability to engage the services of external advisers, independent of Management

#### **By Invitation**

- EGM – Investor Relations, Communications and Sustainability
- Chief Investment Officer
- Chief Operating Officer

#### **Secretary**

Company Secretaries

#### **Meetings**

At least quarterly

#### **Quorum**

Any two members

#### **Decisions**

Simple majority

#### **Minutes Circulation**

- Committee Members
- DXFM Board

#### **Standing Reports**

- Material issues radar (appendix to each meeting)
- Quarterly reporting on ESG strategy and initiatives
- Draft Annual Reporting Suite – ESG achievements and commitments (July/August)
- GRESB survey results and analysis (September)
- DJSI survey results and analysis (September)
- CDP Climate Change results and analysis (varies)

**Procedure**

Papers to be distributed minimum five business days prior to meeting.

**Version**

Approved by the Committee on 22 June 2021

Approved by the Board on 29 July 2021

