

Sustainable Procurement Policy

1. Purpose

Dexus acknowledges our responsibility to ensure environmental, social and governance standards are maintained and continuously improved throughout our supply chain. We recognise that we can have a positive influence on our suppliers, contractors and their employees, products and services.

Dexus is also committed to ethically source products and services that seek to create shared value by ensuring that companies within our supply chain:

- Comply with all legal requirements and standards
- Reduce carbon emissions in line with Dexus's commitment to achieving net zero emissions by 2030 across all emissions sources within our operational control, including upstream and downstream emissions
- Operate accordingly to sound environmental principles
- Manage their people ethically, in line with Dexus's commitment to the United Nations Global Compact towards upholding human rights and fair labour management practices
- Drive positive supplier relationships
- Consider the impacts of their activities on the social and environmental sustainability of the communities in which we operate

We ask all our suppliers to partner with us in building on our sustainability performance and delivering our Corporate Responsibility & Sustainability (CR&S) commitments and objectives.

This policy outlines our commitment to partnering with suppliers to responsibly source products and services. Additionally, we want to ensure Dexus's Supplier Code of Conduct is met and expectations of all organisations within our supply chain are exceeded.

2. Application

This Policy and accompanying Supplier Code of Conduct applies to all suppliers, contractors and sub-contractors in the provision of assets, goods and services across all areas of Dexus's operations.

This policy should be read in conjunction with Dexus's Environmental Policy and Dexus's Human Rights Policy.

3. Policy principles and commitments

We take a long-term view to managing and maintaining relationships with our suppliers and contractors. We recognise that our service providers vary in size and structure, therefore consider their various levels of resources and expertise.

Dexus seeks to partner with our suppliers to achieve the following objectives:

- Maintain an efficient procurement process operating under sound governance that achieves the best value for money, meets business requirements and delivers financial and CR&S outcomes across the product or service lifecycle
- Maintain confidence that suppliers are abiding by all minimum standards and laws in the countries in which they operate
- Treat our suppliers and contractors fairly with respect, dignity demonstrating probity, equity and transparency
- Continue to develop and manage relationships with our suppliers and contractors to encourage them to promote a best practice approach to employment practices, social outcomes and the environment
- Identify key risks and opportunities particularly in high value, high impact contracts and improve the overall impacts of the products and services we procure
- Challenge our suppliers to deliver tangible, innovative and sustainable solutions that deliver mutually beneficial outcomes for Dexus and the supplier



- Ensure prospective and new suppliers understand the sustainability criteria and requirements within their contract
- Collaborate with our suppliers and seek feedback as part of our contract management
- Where appropriate increase the purchase of products that support community-based charities, are carbon neutral or have a lower carbon footprint, are more efficient and meet internationally recognised sustainability performance standards
- Where appropriate, encourage suppliers to collaborate with Dexus in community engagement initiatives

4. Implementation

Dexus will assess the environmental, social and governance (ESG) risk exposures for its products and services and will implement procurement and supply chain monitoring processes to eliminate or manage these risks. Within these processes Dexus will:

- Maintain a preferred panel of suppliers which will undergo pre-screening against ESG criteria
- Consider ESG risks and relevant monitoring requirements for all procurement engagements. Dexus will assess each contract's merits against a set of sustainability principles and ensure environmental and social impacts are assessed in line with our own policies and objectives, emerging best practice and industry standards
- Specify Dexus's expected ESG requirements and standards for key products and services within the Dexus Supplier Code of Conduct
- Require all suppliers engaging with Dexus to acknowledge and abide by:
 - This policy and Supplier Code of Conduct
 - Dexus Human Rights Policy
 - Dexus Environment Policy
- Implement a risk-based supplier monitoring program involving supplier engagement, regular reporting and third-party validation as appropriate. Supplier reporting requirements will be agreed during the procurement process
- Provide suppliers with grievance mechanisms
- Maintain sustainable procurement capability within our business by engaging and upskilling our employees and implementing a training program for procurement and contract managers

5. Management and review

This policy and the Supplier Code of Conduct will be reviewed annually, and progress will be reported against Dexus's CR&S objectives.

Version	Document Owner	Author	Approving Authority	Approved Date
1	Sustainability	Michael Lane	Compliance, Risk & Sustainability Committee	24 May 2012
2	Sustainability	Paul Wall	Senior Management – GMC level	16 Jan 2018
3	Sustainability	Rob Sims	Senior Management – GMC level	06 Mar 2019

Supplier Code of Conduct

1. Introduction

Dexus acknowledges our responsibility to ensure environmental, social and governance standards are maintained and continuously improved throughout our supply chain. We recognise that we can have a positive influence on our suppliers, contractors and their employees, products and services.

Dexus is also committed to ethically source products and services that seek to create shared value by ensuring that companies within our supply chain:

- Comply with all legal requirements and standards
- Reduce carbon emissions in line with Dexus's commitment to achieving net zero emissions by 2030 across all emissions sources within our operational control, including upstream and downstream emissions
- Operate accordingly to sound environmental principles
- Manage their people ethically, in line with Dexus's commitment to the United Nations Global Compact towards upholding human rights and fair labour management practices
- Drive positive supplier relationships
- Consider the impacts of their activities on the social and environmental sustainability of the communities in which we operate

This Supplier Code of Conduct outlines Dexus's expectations of all organisations within our supply chain to meet these commitments.

2. Application

This Code of Conduct applies to all suppliers, contractors and sub-contractors across all areas of Dexus's operations.

It aims to encourage, support and where appropriate mandate requirements that will assist Dexus and our suppliers to work towards a low carbon future.

3. Approach

Dexus is committed to work with our suppliers in line with our Sustainable Procurement Policy to minimise any potential impacts from our upstream supply chain.

From the outset, we will ensure that prospective suppliers understand their responsibilities under this Code and our expectations. They will also help us to drive our values, commitments, and objectives through their supply chain.

Although our service providers vary in size, structure, resources, and expertise, this Code of Conduct rewards and recognises any organisations that present innovative solutions to Dexus.

In return, we will ensure that our employees are sufficiently trained in sustainable procurement principles to be able to identify opportunities throughout the procurement process and in ongoing contract management to improve sustainability and add value.

4. Commitment to a zero-carbon future

Dexus's goal is to achieve net zero emissions by 2030 through a prioritised approach to avoid, reduce, re-source and offset our impacts. We recognise the importance of mitigating the impacts of climate change and we are working across our operations to reduce carbon emissions by:

- Developing Green Star certified buildings with integrated renewable technologies
- Retrofitting our existing buildings to be more energy and water efficient
- Benchmarking our buildings using LEED and NABERS ratings
- Maintaining a certified carbon neutral Head Office
- Procuring products that are less carbon intensive in their manufacture



- Procuring products and packaging that are made from materials that are recyclable and or compostable to increase resource recovery
- Supporting renewable and low carbon technologies in new and existing portfolios

5. Policies

To assist us in driving ethical and sustainable supply chains, all suppliers contracting directly with Dexus (and on behalf of third party contractors) must adhere to the following Dexus policies:

- Sustainable Procurement Policy
- Environment Statement and Policy
- Work Health Safety & Liability Policy

All these policies can be found at www.dexus.com.

6. Ethical Practices

Dexus is committed to ethical practices including the selection and appointment of Agents (contractors and suppliers of goods and services). Dexus will appoint the most appropriate Agent for the goods or services it is procuring.

Dexus employees and their Agents have an obligation to promptly report perceived, possible and/or actual conflicts or incompatibility between their official duties and their personal or private business. This obligation is particularly relevant to the conduct of those engaged in procurement. If a Dexus employee or Agent has a conflict of interest, they must notify Risk & Compliance who will determine the continuing role of that person in the procurement or tender process.

Gifts or entertainment offered to a Dexus employer by a supplier or contractor must not be excessive nor provided as an inducement for securing work. Gifts or entertainment offered to a Dexus employee during a tender is prohibited.

Where a consultant has been engaged to assist in the tender evaluation process they must complete a Conflict of Interest Declaration Form prior to the commencement of the tender.

7. Principles

Dexus's suppliers and contractors must:

- Comply with all applicable local and international laws and standards including those covering:
 - Governance requirements
 - Workplace relations
 - Safe and ethical work practices and
 - People management
- Ensure good environmental performance by:
 - Maintaining an Environmental Management System (EMS)
 - Managing and reducing the environmental impacts of their activities
 - Minimising transport-related carbon emissions
 - Minimising the use of materials and resources
- Provide and procure sustainable products and services where feasible that:
 - 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
 - Use packaging that is recyclable, compostable and or has recycled content.
- Maintain applicable internal policies and procedures that:



- Outline their CR&S policies, procedures, and sustainable upstream supply chain management
 - Address sustainable initiatives
- v. Report on their sustainability by:
- Managing and reporting sustainability information relating to the contract
 - Ensuring information on the organisation's sustainability is available to Dexus upon request
 - Where feasible, seek external review, verification or assurance of their performance

8. Performance Standards

i. Applicable laws and standards

Suppliers should ensure compliance with all applicable laws and standards in the countries in which they operate in respect to:

- Equal opportunity, fair treatment, freedom of association, improper advantage and anti-discrimination
- Work hours, wages and worker benefits
- Human rights
- Not engaging in child or forced labour
- Anti-bribery and corruption
- Whistleblowing
- Occupational health and safety

Suppliers should be committed to providing a discrimination free, safe and healthy workplace for employees and provide access to development and training. A documented Health and Safety Management System should be used to ensure employee well-being, as outlined in the Dexus Work Health, Safety and Liability Policy.

Suppliers should also ensure their policies and procedures demonstrate support for indigenous, equity and inclusion principles.

ii. Environmental compliance and management systems

Suppliers and contractors should have an Environmental Management System (EMS) in place. This must be current and relevant to the supplier's business to enable them to manage and mitigate environmental impacts.

Suppliers which hold the following accreditations will be highly regarded:

- ISO 14001
- BS 7750
- BS 8555 (Acorn)
- Eco Management and Audit Scheme (EMAS)

Suppliers should, on request, be able to demonstrate how they:

- Minimise the use of resources and materials in the products, processes, and services offered to Dexus
- Reduce the effects of their business on biodiversity and land management, and protect native species and ecosystems
- Implement and maintain environmental, sustainable and socially responsible practices, products and operations
- Provide copies of appropriate policies for inspection upon request



iii. Sustainable/ethical purchasing policies and products

Dexus is committed to the design, development, and operation of green buildings. Product and services procurement are key contributors to these commitments.

Dexus seeks not only to reduce resource consumption and increase efficiencies within our buildings, but also to procure sustainable products and services that reduce the environmental impact of our day to day operations.

To assist us with our commitments we request that our suppliers identify and procure products and services using the following criteria as a guide.

Product attribute	Criteria
<i>Ecolabeling and product certification</i>	<p>Products will be preferred by Dexus if they carry third party, independently verified ecolabels as part of the Global Ecolabelling Network (GEN) or as otherwise acceptable under Green Star or other appropriate international labelling scheme(s) e.g. Nordic Swan etc.</p> <p>In addition, certificates from any of the following should be provided as relevant:</p> <ul style="list-style-type: none"> - Carpet Institute of Australia Limited - Environmental Certification Scheme (ECS) v1.2 - Ecospecifier GreenTag GreenRate v3.1 - Australasian Furnishing Research and Development Institute - Sustainability Standard for Commercial Furniture – AFRDI Standard 150 - Good Environmental Choice Australia (GECA) - Products that meet the Green Star performance criteria - Furniture and Fittings Standards v2 (2010) and 2006 Modified 2010, v2 Floor Coverings Standard v2, Carpets Standard v2 and Panel Boards Standard v2 - The Institute for Market Transformation to Sustainability (MTS) Sustainable Materials Rating Technology standard version 4.0 - SMaRT 4.0 - Food labels which include MSC, Organic etc.
<i>Timber</i>	<p>Suppliers should ensure that all timber is obtained from sustainable sources. It should carry one of the following certifications to avoid any destructive, illegal or loss of old growth or high biodiversity forests:</p> <ul style="list-style-type: none"> - Forest Stewardship Council (FSC) - PEFC (Australian Forestry Certification Standard) in Australia
<i>Recycled content</i>	<p>Suppliers should indicate:</p> <ul style="list-style-type: none"> - Whether products are made from recycled content - The percentage of the content of the product that is recycled - The percentage of the product able to be recycled after use, if any and - The total percentage of recycled content in their supply chains and in goods and services provided
<i>Volatile Organic Compounds (VOCs), Polyvinyl chloride (PVC), formaldehyde, and the use of chemicals</i>	<p>Suppliers should indicate and supply any relevant certifications or relevant information for products which:</p> <ul style="list-style-type: none"> - Minimise VOCs and formaldehyde



- Minimise the use of toxic chemicals resulting in air and water pollution
- Promote the substitution of non-PVC products in favour of PVC products

Resource consumption reduction

Suppliers should seek to use products or services that demonstrate the following:

- Energy or water efficiency, particularly with high Energy and Water Star or WELS ratings
- A minimal or lower level of heavy metals than comparable products
- Lower fuel consumption in production or transport
- Lower use of materials during manufacture compared with similar products
- Reduced emissions in their functionality compared to similar products
- Reduced carbon emissions or certified carbon neutral
- Reduced water consumption

Waste minimisation and landfill diversion

Suppliers should support products that:

- Use fewer materials during manufacture than comparable products
- Promote product stewardship and supplier take-back processes
- Are easily disassembled and recyclable
- Are produced with recycled content
- Mitigate impacts associated with the extraction of heavy metals, particularly in IT
- Contain less packaging and
- Have a longer effective working life

iv. Whole-of-Life Costing (WLC), Life-Cycle Cost (LCC), Environmental Product Declaration (EPD) Life-Cycle Assessment (LCA) or Life-Cycle Inventory (LCI)

Suppliers should present Dexus with information surrounding the whole-of-life costing of their product or services, together with any available modelling or product information.

This may include references to certified product declarations on <http://www.environdec.com>, opportunities to invest in future resource efficiency, carbon savings, cost reductions, and life-cycle assessments on embodied resources, such as energy, water, and fuels.

Products or services that carry an EPD or where an LCC or LCA has been conducted should be identified, and the relevant standard against which it has been assessed should be noted, e.g. ISO 14025.

v. Corporate Responsibility & Sustainability (CR&S) benchmarking and global indices

Suppliers should provide information upon request about their CR&S policies, industry memberships, procedures, and sustainable upstream supply chain management, including community contributions and sustainable initiatives.

Where appropriate, the supplier's participation or rankings in the following indices and/or other relevant global sustainability benchmarking indices should be provided:

- GRI
- SAM Indices



- Dow Jones Sustainability Index (World and Asia Pacific Indices)
- Global 100 - World Economic Forum in Davos
- FTSE4Good Index
- Carbon Disclosure Project
- United Nations Principles of Responsible Investment (UNPRI) and
- London Benchmarking Group

Suppliers should be committed to improving their own supply chain and reducing the impacts of their operations through the use of green purchasing and sustainable/ethical or responsible purchasing policies.

vi. Management and reporting of sustainability information

Suppliers should make available upon request any compliance, governance and sustainability performance information, data, product reports etc., which may be required by Dexus. These may include copies of certificates, accreditations and product information.