2014 Assurance criteria

Criteria for reporting on selected information included within the scope for assurance

The following criteria were used in limited assurance undertaken by PwC relating to selected subject matter within the 2014 Annual Reporting Suite (Annual Review and Performance Pack) for the 12 month period ended 30 June 2014.

Section of CR&S Reporting	Matter subject to assurance
Environment - Australia and New Zealand Group Totals	▪ Total scope 1, 2 and 3 greenhouse gas emissions (GHG) (t CO_2-e) ▪ Total net energy consumed (electricity, natural gas, diesel, LPG) (GJ) ▪ Total water consumed (kL) ▪ Total waste (tonnes)

DEXUS believes that underlying data presented for other areas of the 2014 Annual Report is sound.

Parameters used in the preparation of the subject matter
DEXUS applied the following parameters in calculating the reported GHG emissions, energy consumption and water consumption data described above:

Reporting period	1 July 2013 to 30 June 2014
Reporting boundary	Unless otherwise stated, DEXUS applied the principles contained within the National Greenhouse and Energy Reporting Act 2007 and its associated guidelines. Unless otherwise stated below, the reporting boundary comprises those facilities in Australia and New Zealand which fall under the operational control of members of the group of which DEXUS Holdings Limited is the controlling corporation for part of all of the 12 months ending June 30, 2014. The operations covered under the scope of reporting are consistent with DEXUS's operation as a property business, being: 1. **Property investment** including directly owned assets and assets managed on behalf of third party investors. Property investment comprises: a. Office assets b. Industrial assets c. Retail assets. 2. **Occupied premises** being DEXUS occupied tenancies. **Property development** is excluded from the boundary of operational control for Australia and New Zealand. Operational control of the development site is handed over at Practical Completion of the development.
Total Scope 1, 2 and 3 GHG emissions	Total GHG comprises Scope 1, Scope 2 and Scope 3 GHG within the reporting boundary for Australia and New Zealand. '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 Australian Government's *National Greenhouse and Energy Reporting Act 2007 (NGERA)*. Reporting is in alignment with the NGERA and its associated guidelines. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO_2-e).
SCOPE 1 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 DEXUS's methodology if billing data is unavailable at the time of reporting. ▪ **Liquefied Petroleum Gas (LPG).** LPG data is derived from supply authority billing. Billing data and/or estimated data is applied based on DEXUS's methodology 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 DEXUS'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 DEXUS operational containing hydofluorocarbons reportable under NGERA. DEXUS does not have company fleet vehicles and no vehicle related emissions have been reported. For facilities located in Australia, Scope 1 emissions have been calculated according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2013*. For facilities located in New Zealand, Scope 1 emissions have been calculated according to the *Guidance for voluntary, corporate greenhouse gas reporting, Data and Methods for the 2012 Calendar Year*.
SCOPE 2 EMISSIONS	Scope 2 emissions (indirect emissions) comprise GHG associated with 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. For facilities located in Australia, Scope 2 emissions have been calculated according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2013*. For facilities located in New Zealand, Scope 2 emissions have been calculated according to the *Guidance for voluntary, corporate greenhouse gas reporting, Data and Methods for the 2012 Calendar Year*.

SCOPE 3 EMISSIONS	Scope 3 emissions (other indirect emissions) comprise GHG associated with transmission and distribution losses ("energy losses") associated with energy use and waste sent to landfill. Data for energy losses is that used to calculate scope 1 and 2 emissions. Data for waste to landfill 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. For facilities located in Australia, Scope 3 emissions have been calculated according to the *National Greenhouse Accounts (NGA) Factors, July 2013*. For facilities located in New Zealand, Scope 3 emissions have been calculated according to the *Guidance for voluntary, corporate greenhouse gas reporting, Data and Methods for the 2012 Calendar Year*.
Total energy consumed	Energy consumed comprises natural gas, diesel, LPG and electricity purchased by DEXUS for facilities within the reporting boundary for Australia and New Zealand. 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. Energy consumed is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors specified within the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2013* for Australian facilities and the *Guidance for voluntary, corporate greenhouse gas reporting, Data and Methods for the 2012 Calendar Year* for New Zealand facilities. 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.
Energy produced	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 Australia and New Zealand for subsequent consumption onsite or export offsite. Energy produced comprise: ▪ **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 from incoming natural gas or diesel utility data that is multiplied by efficiency factors of 35% 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. Energy produced is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors

	specified within the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2013* for Australian facilities and the *Guidance for voluntary, corporate greenhouse gas reporting, Data and Methods for the 2012 Calendar Year* for New Zealand facilities. Energy consumption has been based on quantities invoiced or metered by suppliers.
Total net energy consumed	Total net energy consumed is defined as the energy consumed minus the energy produced within the reporting boundary for Australia and New Zealand.
Water consumption	Water consumption is based on quantities invoiced or metered by suppliers. Water consumption comprises: ▪ Water purchased by DEXUS from local water authorities and suppliers for assets in Australia and New Zealand for which DEXUS has operational control ▪ Water purchased by DEXUS on behalf of industrial assets in Australia which are under the operational control of tenants, but where the asset has water outlets that DEXUS can use for landscaping and external cleaning or external amenities Water consumption excludes water use from onsite water recycling and rainwater harvesting.
Total waste	Total waste is based on volume or weight quantities invoiced by waste contractors. Total waste comprises: ▪ Waste measured in weight that is sent to landfill by waste and cleaning contractors on behalf of DEXUS and its tenants for Office and Retail assets in Australia and New Zealand 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 its tenants for Office and Retail assets in Australia and New Zealand 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. Density factors used for the period fall into the ranges listed below. 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.

Waste/recycling stream	Density Range (tonnes/m^3)
General Waste	0.06 - 0.10415
Cardboard Recycling	0.03 - 0.073
Paper Recycling	0.03 - 0.129
Secure Paper	0.125 - 0.193
Co-mingled	0.025 - 0.175
Organics	0.042 - 0.40

	Total waste excludes waste to landfill and recycling for industrial assets as DEXUS does not have operational control over waste collection. Furthermore, waste data is not available for all office and retail facilities. The site area of those facilities that have been reported represents 90% of the total lettable area of retail and office facilities.
Data confidence	Where primary data such as utility invoices have not been received, estimates are applied using the following prioritised data methodology: 1. 30 minute interval water and gas metering data supplied by MP/MDA Metering Dynamics 2. Estimated data using an estimate that accounts for seasonal variances derived by: a. interpolation between two adjacent actual readings, adjusted for the length of the gap b. Derived from an actual figure for the same period in the prior year, adjusted for the length of the gap. 3. Estimated data using the monthly average for the previous 12 month period.

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