DEXUS PROPERTY GROUP
2015 Carbon Disclosure Project

www.dexus.com

DEXUS
PROPERTY GROUP

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1 Introduction

Please give a general description and introduction to your organization

DEXUS Property Group is one of Australia's leading real estate groups, investing directly in high quality Australian office and industrial properties. With $17.8 billion of assets under management as at 30 June 2014, the Group also actively manages office, industrial and retail properties located in key Australian markets on behalf of third party capital partners.

The Group manages an office portfolio of 1.7 million square metres located predominantly across Sydney, Melbourne, Brisbane and Perth and is the largest owner of office buildings in the Sydney CBD, Australia's largest office market.

DEXUS is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (ASX) under the stock market trading code 'DXS' and is supported by more than 32,000 investors from 20 countries.

With nearly 30 years of expertise in property investment, development and asset management, the Group has a proven track record in capital and risk management, providing service excellence to tenants and delivering superior risk-adjusted returns for its investors.

as at 30 June 2014

2 Reporting year

Please state the start and end date of the year for which you are reporting data.

1 July 2013 to 30 June 2014

3 Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Australia and New Zealand

4 Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD ($)

6 Modules

As part of the request for information on behalf of investors, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors, companies in the oil and gas industry and companies in the information technology and telecommunications sectors should complete supplementary questions in addition to the main questionnaire.

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below.

Module: Management - Investor

Governance

1.1 Where is the highest level of direct responsibility for climate change within your company?

Board or individual/sub-set of the Board or other committee appointed by the Board

1.1a Please identify the position of the individual or name of the committee with this responsibility

The Board Risk Committee (formerly the Board Audit, Risk & Sustainability Committee) oversees risk management within DEXUS and reports to the Board. The Committee oversees the Group's enterprise risk management practices, as well as Work Health & Safety, environmental management, DEXUS's climate change response, sustainability initiatives and internal audit practices. It also oversees the effectiveness of the Group's Risk Management Framework. A senior management internal committee, the Compliance, Risk & Sustainability Committee reports to the Board Risk Committee.

1.2Do you provide incentives for the management of climate change issues, including the attainment of targets?

Yes

1.2a Please complete the table

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator	Comment
Corporate executive team	Monetary reward	Emissions reduction target Energy reduction target Efficiency target Behaviour change related indicator	Executives and senior management have an individual KPI linked to financial and non-financial performance including CR&S commitments published in DEXUS's Annual Review. Those commitments are derived from the list of DEXUS's material CR&S issues and strategic goals. In FY14 DEXUS specified a range of CR&S commitments to improve performance with regard to investors, customers, suppliers, employees, the community and the environment. Executive and senior management are rated on their performance across KPIs and monetary rewards are tied to achievement of KPIs. Information regarding DEXUS's CR&S commitments can be found on the DEXUS website at: http://dexus2014.reportonline.com.au/annual-review/commitments/delivering-commitments
Environment/ Sustainability managers	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Efficiency project Efficiency target Behaviour change related indicator	The management of climate change risk assessing and reporting is a business objective and the CR&S team have targets to deliver business objectives. These include but are not limited to meeting energy/ emission reduction targets, implementing energy/emissions reduction projects, championing behaviour change and communicating climate change issues. These form part of individual objectives within the team and are linked to performance measurement and remuneration.

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator	Comment
All employees	Monetary reward	Behaviour change related indicator	CR&S has been integrated into employees' roles and responsibilities within their relevant job description. Each employee is rated against CR&S as a 'behavioural/cultural value' which serves as one of DEXUS's threshold performance indicators alongside customer service, teamwork, leadership etc. Staff are also assessed on their contribution, relevant to their position, towards achieving DEXUS group annual CR&S commitments as set out within its Annual Review. Those commitments are derived from the list of DEXUS's material CR&S issues and strategic goals. In FY14 DEXUS specified a range of CR&S commitments to improve performance with regard to investors, customers, suppliers, employees, the community and the environment. All employees are rated on their performance across KPIs and monetary rewards are tied to achievement of KPIs.

Strategy

2.1 Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities

Integrated into multi-disciplinary company wide risk management processes

2.1a Please provide further details on your risk management procedures with regard to climate change risks and opportunities

Frequency of monitoring	To whom are results reported	Geographical areas considered	How far into the future are risks considered?	Comment
Six-monthly or more frequently	Board or individual/ sub-set of the Board or committee appointed by the Board	Corporate wide coverage which spans assets and operations within Australia and New Zealand	>6 years	DEXUS's Risk Management Framework articulates its approach to managing risk and is aligned to the principles of the Australian and New Zealand Standard for Risk Management – Principles and Guidelines AS/NZS ISO 31000:2009. The approach involves establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risks associated with managing, acquiring, developing or disposing of real property in order to minimise losses and maximise opportunities. The Board of Directors has the ultimate responsibility for the oversight of the framework which is reviewed annually. Within the process, risks are identified and evaluated to determine their severity, likely consequences and the frequency that an event is likely to occur which is evaluated over a time period of up to 20 years. Those in the Catastrophic category are predicted to result in "Severe damage to the environment. Expected impact affecting wide area for more than 10 years".

2.1b Please describe how your risk and opportunity identification processes are applied at both company and asset level

i) Company level: DEXUS conducts periodic group-wide climate change risk assessments to determine the magnitude of climate change risks across the portfolio. This involves desktop analysis of exposures to climate change related events and is supported by data from ongoing site risk management inspections. DEXUS's sustainability and risk teams identify, analyse and evaluate climate change risks and opportunities, referencing the Group's Climate Change Assessment Report and site audit program outcomes, and maintains a WHS&E risk register. Environmental impacts, financial and reputational risks, and health and safety concerns are evaluated and management controls established. Risks that are considered strategic are reviewed by the Group Sustainability Manager and GM Risk and Governance and escalated for review within annual Risk Assessment workshops using a Strategic Risk Register. The current risk to DEXUS from climate change is low as properties are predominantly located in metropolitan areas with stable infrastructure, effective Local Government area planning for climate change impacts and services.

ii) Property level: Natural catastrophe risks are assessed as part of DEXUS's annual risk engineering audit process and during due diligence for new acquisitions. The process involves analysis and determination of climate change risk level based on the inherent risk in reference to recent and historical natural catastrophe events such as flood, cyclone, hurricane, windstorm and earthquake, geographical factors, while factoring in climate change projections and previous loss data. Key risks are identified and site mitigation plans are developed to cover all risks including natural catastrophe risks. Strategic improvement plans are developed to improve energy efficiency and reduce greenhouse gas emissions. Climate Change Adaptation Plans have been developed for the top ten properties at risk. Plans are coordinated at the corporate level and managed at the property level.

2.1c How do you prioritise the risks and opportunities identified?

The risk analysis process involves the assignment of an overall residual risk rating for each risk documented in the risk register through the following steps:

Identification – Risks are identified via audits, reports, incident, external advice, etc.

Analysis – Risks are assessed in order to determine their significance and priority. The risk assessment process involves a consideration of the risk criteria in terms of likelihood and consequence and involves analysing the following:

Inherent risk –the likelihood and consequence of a risk event if it were to occur in the absence of controls. The inherent nature of the risk event will provide the basis and extent to which controls or treatment plans are required to mitigate the risk to an acceptable level.

Identify and assess controls – identify the existing controls in place to address the risk and assess how effective they are in operation. The control's current operating effectiveness is determined and rated on a scale of effectiveness. Where controls are identified as ineffective or partially effective, action plans are required to be developed by management in order to establish effective controls and mitigate risks.

Residual risk rating – The residual risk rating is determined by combining the likelihood and consequence of the risk taking into consideration the effectiveness of existing controls. DEXUS has adopted standardised criteria and rating scales to be applied across all risk management activities and business areas.

Evaluation – Risks are evaluated and a decision is made as to whether a particular risk is acceptable or not, factoring the frequency, likelihood of occurrence, and the potential environmental, financial or business impact that would result. Risk mapping tools are used to prioritise risks.

Treatment – Risk Treatment Plans are developed for all risks that have a residual risk rating of Significant or High.

2.2 Is climate change integrated into your business strategy?

Yes

2.2a Please describe the process of how climate change is integrated into your business strategy and any outcomes of this process

i) How strategy is influenced: DEXUS business strategy is affected by climate change risks and opportunities including environmental impacts on asset performance and resilience, and social impacts including stakeholder's health and wellbeing and the economic resilience of communities in a climate affected world. The integration of climate change into DEXUS's business strategy is reflected at all levels of the organisation and is assessed regularly.

DEXUS collects and monitors environmental performance data including National Australian Built Environment Rating System (NABERS) ratings, energy, water and waste use and GHG emissions. On each building in the Group portfolio, DEXUS conducts climate change risk assessments to identify at-risk properties and identify adaptation and mitigation opportunities. This data is reported to the DEXUS risk and sustainability teams, internal management committees and the Board Risk Committee and is used as part of decision making regarding investment decisions, and capex projects to improve building operations and reduce operating costs.

The CEO holds a business strategy briefing quarterly for all employees and senior management and each business unit hold off-site divisional strategy & planning workshops at least annually which includes discussions of climate change and GHG emissions strategies. DEXUS looks at emerging risks and opportunities and assesses their materiality to all parts of the business, and sets annual commitments and targets in response to material issues and reported data. These include GHG gas reduction targets and energy and water efficiency targets. Quarterly assessments are made against specific objectives and the property teams hold regular

meetings which monitor performance and report internally to various committees and investment managers on progress. Targets are set at a portfolio level and at specific sites.

(ii.) Aspects of climate change that influenced strategy. Climate change considerations are integrated into DEXUS's business strategy. Aspects include:

- Environmental legislation (current and proposed) that DEXUS may be subject to compliance with
- Opinions of key stakeholders including tenants, investors and employees
- List of material risk issues identified through materiality assessment
- Availability and accessibility of voluntary programs such as the NSW Energy Savings Scheme
- Reputational risks associated with DEXUS's prominence within the market and sustainability performance of peers
- Environmental impacts including energy, water and GHG emissions performance across the portfolio
- Physical climate change impacts through extreme weather events (portfolio composition, property location, individual property resilience).

(iii.) Short–term strategy changes-timeframe: 1 to 2 years. DEXUS's short term business strategy is influenced by climate change/ extreme weather impacts and its ability to respond quickly to changing environmental or regulatory circumstances. A flexible business model and ongoing review of strategy and operations enables DEXUS to manage changes in legislation and implement energy reduction strategies efficiently. DEXUS's strategy includes actively focusing on reducing portfolio emissions in order to meet its current target to achieve a 10% reduction in energy use by FY15 against FY12 baseline. DEXUS empowers operational teams to respond to climate change related events and severe weather appropriate to their buildings via prevention and adaptation initiatives as well as monitor and manage resource use on a daily basis in the context of tenant needs and varying environmental conditions.

For all acquisition proposals, the Investment Committee considers short term climate change risks (such as impact on planning regulations as a result of climate risk) and resource use against established benchmarks (such as NABERS, Green Star) to identify short-term risks or opportunities for improvement. In 2012 DEXUS acquired 50 Carrington Street Sydney with a 3 star NABERS rating. DEXUS identified and implemented building sustainability retrofits to improve operations and reduce GHG emissions, and sold the property in 2014 with a 5 star NABERS rating yielding $12m of trading profits.

iv) Long term strategy changes-timeframe: beyond 2 years. Long term strategy is influenced by physical climate change risks and their effect on portfolio size, mix across asset classes and geographical location in the event of extreme climate change events. For all acquisition proposals, the Investment Committee considers longer term climate change (geographic and other locational risks) and sustainability/resource usage risks that may require substantial long term investment or life cycle equipment upgrading beyond five years, or the abandonment of potential investments. All capital works projects require the consideration of sustainability risks and opportunities prior to approval.

DEXUS monitors the long term risk to its business from the physical threat of climate change. Properties are predominantly located in metropolitan areas with good infrastructure and services and while most of the portfolio is at lower than average risk, some higher risk areas exist which are analysed in more detail as part of the Group's annual climate risk assessment. Risks associated with regulatory non-compliance, low levels of investment in capital works and efficiency upgrades are continually monitored.

An in-house Research team actively monitors market trends and informs stakeholders to support responsible investment decisions and identify indirect climate change risks and opportunities relating to investments and their local markets.

v) Opportunities for strategic competitive advantage. DEXUS's focus on portfolio efficiency enables it to gain strategic advantage over its competitors through its ability to respond more responsibly to changing environmental factors, and climate change related regulatory changes to planning and development frameworks. DEXUS surveys its tenants to obtain feedback on its performance and identify opportunities for competitive advantage. Active adoption of energy efficiency and building climate change adaptation reduces costs to tenants, increases tenant satisfaction and retention, which enhances occupancy rates and building valuations.

vi) Substantial business decisions. In FY14 DEXUS made the substantial strategic decision to acquire the CPA portfolio to establish the DEXUS Office Partnership. The CPA portfolio was an industry leader with regards to environmental performance and has enhanced DEXUS's ability to lower its environmental risk exposure and expand its portfolio of low carbon assets. DEXUS undertook exhaustive due diligence and detailed asset-level analysis of environmental performance and climate change risk exposure. Overall the due diligence highlighted no material issues and DEXUS proceeded to acquire an energy efficient, low carbon portfolio of office assets.

2.2c Does your company use an internal price of carbon?

No, and we currently don't anticipate doing so in the next 2 years

2.3 Do you engage in activities that could either directly or indirectly influence public policy on climate change through any of the following?

Direct engagement with policy makers
Trade associations
Other

2.3a On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate Position	Details of Engagement	Proposed Legislative Solution
Other: Voluntary carbon abatement and carbon neutrality	Support	DEXUS participated in industry consultation forums conducted by the Australian Government's Department of Environment regarding the effectiveness and future direction of its national carbon neutrality program and its accompanying National Carbon Offset Standard. The government is seeking participant feedback on their experiences with the program, as well as perspectives regarding integration with the government's Emission Reduction Fund and international standards. DEXUS participated in an industry consultation workshop and provided a submission in response to detailed consultation questions.	DEXUS is certified under the carbon neutrality program and supports its continuation under a government-led governance arrangement. DEXUS supported the majority of the Department of Environment's proposals to streamline administration and align with the Emissions Reduction Fund. DEXUS highlighted practical considerations relating to proposed options for adopting an international carbon neutral standard, reciprocal recognition, recognising partial certification as well as proposing options to streamline audit and verification to reduce compliance costs. The Department is in the progress of collating industry feedback.
Clean energy generation	Support with major exceptions	DEXUS has engaged directly with the Australian Energy Regulator (AER) to discuss existing market rules regarding embedded networks and network policies inhibiting local distribution of renewable electricity between facilities.	DEXUS advocates for a relaxation of AER's position regarding unanimous tenant agreement towards establishing embedded networks (ENs) in Victoria and New South Wales. The current position inhibits the establishment of ENs at properties in these states, which in turn yields inequity in market structures between these regions and other states across Australia where ENs are commonplace. This inhibits DEXUS's uptake of on-site energy generation including emission-free renewables as it cannot effectively share costs or sell electricity to tenants. DEXUS also advocates changes to the policies and tariff structures of local network service providers (LNSPs) to increase their tariffs and incentives for businesses to sell renewable electricity generated on-site at competitive prices, and provide practical tariff options to enable businesses to generate electricity on-site at one property and utilize network infrastructure to distribute excess electricity to other properties within the same network to offset grid purchase of high-emission coal-fired electricity.

Focus of legislation	Corporate Position	Details of Engagement	Proposed Legislative Solution
Energy efficiency	Support	DEXUS has engaged with the NSW Department of Office and Environment to provide feedback on voluntary 'commitment agreements' under the National Australian Built Environment Rating System (NABERS). The NABERS Energy Commitment Agreement allows developers and building owners to promote and market excellent greenhouse performance of new and refurbished commercial office buildings from the outset. The Commitment Agreement outlines a developer or property owner's commitment to design, build and commission the building to a 4, 4.5, 5, 5.5 or 6 star level.	DEXUS supports NABERS commitment agreement and offered feedback on their practical implementation.

2.3b Are you on the Board of any trade associations or provide funding beyond membership?

Yes

2.3c Please enter the details of those trade associations that are likely to take a position on climate change legislation

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attemping to, influence the position?
Property Council of Australia	Consistent	The Property Council of Australia (PCA) states that climate change is a reality. The PCA's response is to focus on eco-efficient - less in, more out - assets and use effective strategic planning of cities. Supported in publicly available media releases, the PCA is focused on its members delivering more efficient buildings and calls for solutions to unlock energy assets to deliver better infrastructure.	DEXUS's engagement is through membership of the Property Council of Australia (PCA) as well as in a leadership capacity with DEXUS's CEO as the PCA's National President during the period and DEXUS's Executive Director Finance and COO is a member of the CFO roundtable and chair of the PCA International Capital Markets Division. An additional 22 DEXUS staff members participate in 24 roles within committees, roundtables and working groups. DEXUS proactively participates in PCA initiatives where the industry body consults membership on policy submissions and DEXUS regularly responds to consultation requests from policy makers. DEXUS supports all policies for actions on climate change mitigation and adaptation. DEXUS aligns with the PCA in influencing policy of local, State and National regulators to encourage implementation of new technology and initiatives in developments through changes to building codes. These include renewable energy, water harvesting and community energy provision. DEXUS also advocates for more efficient implementation of legislation relating to climate change industry improvements and changes in local government regulations improving recycling and energy usage. There are no activities that DEXUS is involved in which oppose policy or action on climate change mitigation and adaptation.

MANAGEMENT - INVESTOR CONT'D

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attemping to, influence the position?
Green Building Council of Australia	Consistent	Green Building Council of Australia (GBCA) is committed to developing a sustainable property industry for Australia by encouraging the adoption of green building practices. It is uniquely supported by both industry and governments across the country.	The Green Building Council of Australia (GBCA) is a national, not-for-profit organisation whose key objectives are to drive the transition of the Australian property industry towards sustainability by promoting green building programs, technologies, design practices and operations as well as the integration of green building initiatives into mainstream design, construction and operation of buildings. DEXUS is a member of the GBCA and during FY14 actively supported the GBCA's aims and its Green Star building rating methodologies. During this time DEXUS has: - Assisted with prepared papers and joint statements - Acted as an active spokesperson - Supported to some degree in leadership and/or in preparation of documentation - Contributed to the organisation or content of events organised by the group - Provided general support for the initiative in various non-public forums. DEXUS rates key development projects using the Green Star design rating tools, and was a participant on the working group that developed the Green Star Performance methodology. As part of this working group, DEXUS assisted in drafting and shaping credits to become the tool's performance metrics which ensure buildings are managed to reduce greenhouse gas emissions, reduce waste to landfill, increase biodiversity, reduce water consumption and save energy in their operations. During FY14 DEXUS commenced its work to trial the pilot version of the Green Star Performance rating tool and is seeking achieve its initial ratings under this tool in FY15. In August 2014 DEXUS hosted and presented at a GBCA 'green leasing' forum that focused on the mutual benefits of creating sustainable tenancies, including greening the fine print of lease agreements to case studies on best practice interior fit outs.
Investor Group on Climate Change (IGCC)	Consistent	The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand investors focussing on the impact that climate change has on the financial value of investments. The IGCC recognise that the financial return of an investment is impacted by climate change. As such, the IGCC aims to encourage government policies and investment practices that address the risks and opportunities of climate change, for the ultimate benefit of superannuates and unit holders.	DEXUS is a member of the IGCC and participates in its Property Working Group. Through this working group, DEXUS actively contributes to property related discussions and assists IGCC with understanding and progressing key investor issues relating to property risk management. DEXUS provides general support for the initiative in various non-public forums.

Trade association	Is your position on climate change consistent with theirs?	Please explain the trade association's position	How have you, or are you attemping to, influence the position?
Sydney Better Buildings Partnership	Consistent	City of Sydney Better Buildings Partnership (BBP) represents over 50 per cent of the office floor space across Sydney's CBD. Commercial landlords (partnering companies) have an important role to play in improving the energy, water and waste efficiency of Sydney's existing buildings. BBP's solutions and initiatives are implemented via four technical groups, each of which focuses on a specific challenge facing the commercial and public sector property industry: environment, waste, tenant engagement and benchmarking.	DEXUS is a founding member of the Sydney-based Better Building Partnerships (BBP). The Partnership aims to develop collaborative solutions and initiatives to overcome sustainability related barriers and achieve substantial improvements in the environmental performance of their buildings. DEXUS is part of the Leadership Group that forms the strategy for the Better Building Partnerships initiative. DEXUS also is a member of four BBP technical working groups, each of which focuses on a specific challenge facing the commercial and public sector property industry: environment, waste, tenant engagement and benchmarking. It is through these working groups that the BBP's solutions and initiatives are implemented. DEXUS is a regular attendee and assists with developing BBP's position on a range of issues. DEXUS also acts as an active spokesperson and hosts meetings and events.

2.3d Do you publically disclose a list of all the research organisations that you fund?

n/a

2.3e Do you fund any research organisations to produce or disseminate public work on climate change?

n/a

2.3f Please describe the work and how it aligns with your own strategy on climate change

n/a

2.3g Please provide details of the other engagement activities that you undertake

(i). DEXUS is a member of the technical working group of the Retail NABERS rating tool which addresses measures that increase the efficiency of resource consumption and lower GHG emissions across the retail industry. Through this working group, DEXUS assisted in the development and further enhancement of the Retail rating tool. Through this contribution DEXUS advocates a consistent and relevant benchmark for energy efficiency in the retail industry, contributing to the reduction of energy consumption and generation of GHG emissions nationally.

(ii). DEXUS is a member of the Green Star Performance Technical Working Group hosted by the Green Building Council of Australia which, along with industry, is advocating a holistic green building management tool for the built environment. As part of this working group, DEXUS assists in drafting and shaping the tool's performance metrics which ensure building operations are managed to reduce greenhouse gas emissions, reduce waste to landfill, increase biodiversity and reduce energy and water consumption.

(iii). As one of the City of Sydney's largest rate payers, DEXUS has been actively engaging with the NSW Government on the impending Sydney Light Rail project. DEXUS is an active supporter of this project and views the Light rail as a low-emission alternative to cars and buses with direct benefits to DEXUS via reduced scope 3 emissions from commuting by employees and DEXUS tenants. DEXUS has been working with route planners as well as other stakeholders directly affected by planned street closures to develop solutions to logistics issues in order to ensure continuity of operations during construction and beyond as part of the successful delivery of such a significant infrastructure project.

2.3h What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Day to day activities are coordinated via a Corporate Sustainability Team in consultation with the Property Services team and the Investor Relations, Marketing and Communications team. The team meets weekly with minutes distributed to key internal stakeholders. The Sustainability Team reports to the Compliance, Risk & Sustainability Committee and the Board Risk Committee, which monitor the team's activities for consistency against strategic objectives.

The Investor Relations, Marketing and Communications team coordinates and oversees the publication of all external documents. A formal, structured process involving a materials approvals database is applied for the review and approval of all announcements, presentations and publications. DEXUS staff are required to undertake media training prior to engaging in public debate or comment.

The objectives of these Committees are to assist the Board in fulfilling its responsibilities by reviewing the Group's operational risk management, internal audit and CR&S practices and procedures including climate change strategies.

2.3i Please explain why you do not engage with policy makers

n/a

2.4 Would your organization's board of directors support an international agreement between governments on climate change, which seeks to limit global temperature rise to under two degree Celsius from pre-industrial levels in line with IPCC scenarios such as RCP2.6?

No opinion

2.4a Please describe your board's position on what an effective agreement would mean for your organization and activities that you are undertaking to help deliver this agreement at the 2015 United Nations Climate Change Conference in Paris (COP 21)

DEXUS does not offer a public opinion on what an effective agreement would mean for its activities. DEXUS has an ongoing focus on greenhouse gas emissions reduction and energy efficiency across its property operations and developments, and tracks its performance using industry rating tools such as NABERS and Green Star.

DEXUS takes a continuous improvement approach to systematically reduce greenhouse gas emissions and is already taking action across its portfolio. DEXUS's FY14 emissions remain at 18% below its FY08 base year despite a 17% increase (based on ownership period) in the lettable area under management. DEXUS has reduced its Scope 1 & 2 emissions intensity by 30% since its FY08 base year.

DEXUS sets medium term targets to reduce energy use and is currently targeting to reduce energy use by 10% in FY15 against its FY12 like-for-like baseline.

DEXUS is certified carbon neutral for corporate operations. By being carbon neutral, DEXUS seeks to demonstrate its leadership in sustainable practice and carbon reduction, and encourage staff, industry peers and the broader community to act to reduce GHG emissions.

DEXUS collaborates with its peers via industry associations to develop industry approaches and share experiences on key issues such as climate change. DEXUS is a member of the Property Council of Australia, Green Building Council of Australia, Investor Group on Climate Change and the Sydney based Better Building Partnerships program.

3. Targets and Initiatives

3.1 Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?

Yes. Absolute target

3.1a Please provide details of your absolute target

ID	Scope	% of emissions in scope	% reduction from base year	Base year	Base year emissions (metric tonnes CO_2e)	Target Year	Comment
Abs1	Scope 1+2	84%	10%	2012	101204	2015	Within its 2013 Annual Review, DEXUS set a target for a 10% reduction in energy, and hence scope 1 and 2 emissions across its portfolio, excluding acquisitions and divestments. This target involves achieving a reduction in energy and subsequent Scope 1 and Scope 2 GHG emissions from purchased electricity and natural gas from Australian and New Zealand properties across the office, industrial and retail portfolios where DEXUS has operational control measured on a financial year compared to a FY12 baseline. It was determined that it is more appropriate for DEXUS to report and benchmark on a like for like portfolio due to property acquisitions and disposals and changes of operational control within the portfolios.
Abs2	Scope 1+2	66%	31%	2008	83182	2014	Within its 2013 Annual Review, DEXUS set a target to maintain an average 4.5 star NABERS Energy rating across the DXS office portfolio while reducing consumption of GreenPower to verify the successful implementation of a NABERS Energy Improvement Program implemented across the portfolio. This program saw DEXUS develop and implement a portfolio wide energy efficiency improvement program designed to achieve an average 4.5–star NABERS Energy rating across the listed office portfolio against a FY08 baseline of 3.2 stars. The program involves achieving a reduction in energy and subsequent Scope 1 and Scope 2 GHG emissions from purchased electricity and natural gas from our listed office portfolio where DEXUS has operational control. GHG emissions savings will result from the average 4.5 star NABERS Energy rating program.

3.1b Please provide details of your intensity target

n/a

3.1c Please also indicate what change in absolute emissions this intensity target reflects

n/a

3.1d For all of your targets, please provide details on the progress made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
Abs1	67%	100%	In FY14 DEXUS has achieved a 8.4% reduction in energy consumption and a 10% reduction in GHG emissions, exceeding DEXUS's target one year early.
Abs2	100%	100%	In FY14 DEXUS has achieved a 33% reduction in GHG emissions across the DXS office portfolio, and achieved a 4.6 star portfolio average NABERS Energy Rating at 30 June 2014.

3.2 Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

3.2a Please provide details of how the use of your goods and/or services directly enable GHG emissions to be avoided by a third party

i) DEXUS seeks to be a leading owner, manager and developer of office real estate and provide its tenants with buildings that represent Australian best-practice in energy efficiency and greenhouse gas emissions management. Through a portfolio-wide, continuous improvement approach to energy management DEXUS has significantly reduced Scope 1 and Scope 2 greenhouse gas emissions across its base building equipment and infrastructure which serves to deliver air conditioning, lighting, transportation and other services to building tenants. DEXUS's tenants directly benefit from energy efficient buildings via reductions in their upstream Scope 3 greenhouse gas emissions. DEXUS also provides services to tenants aimed at assisting them to directly reduce their own Scope 2 emissions from electricity use within their tenancy.

ii) DEXUS focuses on the following key initiatives to reduce or limit greenhouse gas emissions in partnership with tenants:

a) Base building energy efficiency: DEXUS has formally tracked NABERS ratings across its portfolio since 2008 and its Office portfolio average rating has improved from 3.2 stars to 4.6 stars in FY14. Over that time DEXUS has implemented over 300 projects across its office portfolio to improve energy efficiency and reduce greenhouse gas emissions for the direct benefit of tenants. Examples include upgrades to HVAC mechanical plant, lighting retrofits, building control upgrades and recommissioning, installation of sub metering, and ongoing performance monitoring. In FY14, DEXUS completed a capital works program at 50 Carrington Street, Sydney that lifted the property's NABERS Energy rating from 3.0 stars at acquisition to 4.5 stars, and directly benefited tenants with an ongoing emissions reduction of 179 tCO_2-e per annum.

b) Tenant fit outs: DEXUS collaborates with its tenants to fit out their tenancies to be energy efficient in a number of ways. DEXUS incorporates green lease clauses into new leases and also provides new tenants with a fit out guide that specifies DEXUS's minimum requirements. In some cases DEXUS may pre-install a high efficiency lighting system involving dimmable T5 fluorescent fixtures and LED down lights. DEXUS refers tenants to utilise its preferred panel of suppliers and contractors to carry out their fit out. Preferred panel members are selected following an extensive procurement process involving assessment of their environmental credentials and all panel members contractually agree to abide by DEXUS's Sustainable Procurement Policy and Supplier Code of Conduct. The preferred supplier panel have a responsibility to attend functions and read and understand educational materials sent to the group to enhance their understanding of the DEXUS sustainability principals in order to closely align themselves and improve their emissions impact. Tenants gain access to energy efficient products which assist them to reduce Scope 2 emissions within their tenancies.

c) New building design: DEXUS applies the Green Star rating tool (administered by the Green Building Council of Australia) within the design and construction of new office assets and sets NABERS energy commitments, typically 5 stars or better, for each new development. For example, DEXUS's current fund-through development at 480 Queen St, Brisbane has been awarded a 6 star Green Star Office Design v3 certification. Tenants directly benefit from occupying highly efficient new buildings that lower greenhouse gas emissions by 50% or more, when measured against most current building stock, where a 3 star NABERS energy rating represents average performance.

iii) Since FY08, the Scope 1 and 2 emissions intensity of DEXUS's office portfolio has improved from 131kgCO_2-e/sqm to 84kgCO_2-e/sqm in FY14 due to ongoing emissions reductions activities. Applied across the portfolio, this improvement represents a total Scope 1 and 2 emissions reduction of 180,864 tCO_2-e against as business as usual for the period between FY08 and FY14.

iv) DEXUS has applied the methodology, assumptions, emission factors and global warming potentials published within the National Greenhouse and Energy Reporting (NGER) Act as the basis for its emission reduction calculations. The NGER Act specifies time-based emissions factors, and applies GWPs as follows: CO_2=1, Methane = 21, Nitrous Oxide = 310. GWPs for refrigerants are sourced from the IPCC 2nd Assessment Report. DEXUS has collected data consistently over the 7-year period from utility invoices as the source of calculations.

v) DEXUS is not currently considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC).

3.3 Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

3.3a Please identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO_2e savings

Stage of Development	Number of projects	Total estimated annual CO_2e savings in metric tonnes CO_2e (only for rows marked *)
Under investigation	60	
To be implemented*	30	4617
Implementation commenced*	32	3175
Implemented*	26	1579
Not to be implemented	17	

3.3b For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO_2e savings (metric tonnes CO_2e)	Scope
Energy efficiency: Building services	DEXUS has an ongoing capital works program focused on improving each asset's NABERS Energy and Water ratings, and has delivered substantial energy and greenhouse gas reductions and improved the NABERS Energy ratings across the DEXUS portfolio. The program involved the following activities: - conducted energy audits to identify and quantify energy efficiency opportunities - evaluation and decision making to prioritise opportunities for implementation based on feasibility, cost and contribution towards the program target - allocation of capital funding to support implementation - staged implementation involving dedicated project management and use of industry specialists - review and evaluation of outcomes and reporting to internal stakeholders. Examples of the types of initiatives that DEXUS implemented include: - Replaced outdated and inefficient water-cooled air conditioning systems that used excessive energy and potentially contained prohibited refrigerants. - Installed modern, computer-controlled building management control systems (BMCS) to optimise building performance through algorithms that match outdoor conditions with internal building requirements. - Optimised the newly installed BMCS by diligently tuning and repairing all valves, dampers, sensors and air handling units and ensuring accurate responses to messages from the BMCS. Installed new metering and energy management systems to assist building management to identify and rectify energy consumption issues. Reduced wastage and improved NABERS Energy ratings. - Adopted LED lighting technology and lighting control software to reduce energy consumption in common areas including lift lobbies, foyers, car parks and fire stairs. Dimmable T5 light fittings or LEDs are being installed in all future tenant refurbishment works. The implemented projects have resulted in reductions in natural gas and electricity consumption, which in turn have resulted in reductions in Scope 1, 2 and 3 greenhouse gas emissions. Activities progressed in FY14 are estimated to have reduced annual Scope 1, 2 and 3 emissions by 4754 t.CO_2-e.	4516	Scope 1 Scope 2

3.3c What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	DEXUS runs a compulsory Annual Risk & Sustainability roadshow for employees to improve training in the area component of ensuring investment in emissions reduction activities is supported and further innovation is enco environment and risk forming part of the survey to drive engagement to CR&S and emissions reduction activitie
Financial optimization calculations	DEXUS's Investment and Asset Managers closely monitor the financial performance of each asset including its and thereby increase the property's valuation. Energy costs are a significant property expense, and energy effic financial metrics. Annual asset plans are developed for each property which include the proposed capex on bu teams on the design and implementation of energy efficiency projects to ensure that emissions reduction and a
Compliance with regulatory requirements/standards	DEXUS participates and complies with the NGER Act and the Commercial Building Disclosure Legislation (BEE
Other	DEXUS is committed to developments that drive emission reduction e.g. designing and building market leading corporate ESD initiatives such as the inclusion of native landscaping which require minimal watering and wate warehouse roof spaces for solar power generation. DEXUS works with the Green Building Council of Australia's developments. DEXUS continues to present Green Star opportunities to all tenants it engages with on industria
Other	Each year DEXUS allocates a budget for conducting NABERS ratings across the office and retail portfolios. NA Improvement Plans (SIPs) demonstrate expected NABERS rating increases per project and the capex spend as more competitive and enhancing the potential tenant pool. DEXUS was the first property group to NABERS rate efficiency of its buildings for both tenants and investors as well as being compliant with the BEED Act.

3.3d If you do not have any emissions reduction initiatives, please explain why not

n/a

	Voluntary/ Mandatory	Annual monetary savings (unit currency - as specified in CC0.4)	Investment required (unit currency - as specified in CC0.4)	Pay- back period	Estimated lifetime of the initiative, years	Comment
	Voluntary	671443	8745398	11-15 years	21-30 years	The estimated annual CO_2 savings relates to projects listed as "Implemented" or "Implementation Commenced" from Question 3.3a. Average pay back period is 13 years. Total investment required excludes like-for-like costs associated with large, end-of-life capital equipment replacement including chillers and lifts. The revised figure provides an estimate of the energy efficiency investment component. The implemented projects have resulted in reductions in natural gas and electricity consumption, which in turn have resulted in reductions in Scope 1, 2 and 3 greenhouse gas emissions, estimated to be 4754 $t.CO_2$-e in FY14.

of emissions reduction and assist with implementation of specific programs. The training of DEXUS employees is an integral uraged. To measure and assist the process DEXUS also runs an Annual Employee Survey with questions relating to sustainability, es.
operating costs and valuations, and seek ways of reducing the cost of tenant outgoings to attract tenants and increase occupancy, iency and reductions in associated greenhouse gas emissions provide an attractive way to improve building performance and optimise ilding upgrades including energy efficiency improvement projects. The DEXUS sustainability team works with the asset management ssociated cost benefits are realised within the proposed solution.
ED Act)
g Green Star properties both in the office and industrial sectors. In industrial, DEXUS continues to ensure all new developments in r tanks to capture roof rainwater for landscape irrigation and plumbing purposes as well as investigating the validity of accessing Green Star Industrial Rating Tool (Version 1) and is committed to incorporating many of the requirements of the tool in new l new builds.
BERS ratings enable building benchmarking and transparent reporting of building performance to investors. DEXUS's Strategic sociated with the improvement. The improvement in NABERS ratings demonstrates value for money for investors through becoming e its entire internally managed retail portfolio in Australia. This further demonstrates commitment to improving the operational

4. Communication

4.1 Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s)

Publication	Status	Page/Section reference	Attach the document
In mainstream financial reports but have not used the CDSB Framework	Complete	10, 16, 20, 25, 29, 39, 43, 44-45, 47, 52, 60-61	https://www.cdp.net/sites/2015/27/4627/Climate Change 2015/Shared Documents/Attachments/CC4.1/DEXUS 2014 Annual Review.pdf
In mainstream financial reports but have not used the CDSB Framework	Complete	26-56	https://www.cdp.net/sites/2015/27/4627/Climate Change 2015/Shared Documents/Attachments/CC4.1/DEXUS 2014 Performance Pack.pdf
In voluntary communications	Complete	1-12	https://www.cdp.net/sites/2015/27/4627/Climate Change 2015/Shared Documents/Attachments/CC4.1/DEXUS 2014 NCOS Public disclosure summary.pdf

Further Information

DEXUS Property Group's 2014 Annual Reporting Suite consists of four documents for the year ended 30 June 2014: 1. The 2014 DEXUS Annual Review - an integrated report summarising the Group's financial, operational and Corporate Responsibility and Sustainability (CR&S) performance. 2. The 2014 DEXUS Annual Report - providing DEXUS's Consolidated Financial Statements, Corporate Governance Statement and Board of Directors information. This document should be read in conjunction with the 2014 DEXUS Annual Review. 3. The 2014 DEXUS Combined Financial Statements - the Financial Statements of DEXUS Industrial Trust, DEXUS Office Trust and DEXUS Operations Trust. This document should be read in conjunction with the 2014 DEXUS Annual Report and Annual Review. 4. The 2014 DEXUS Performance Pack - an online suite of data and detailed information supporting the results outlined in the 2014 Annual Review. In these reports, DEXUS demonstrates how it manages its financial and non-financial performance in line with its strategy.

1 Bligh Street, Sydney

RISKS AND OPPORTUNITIES - INVESTOR

Module: Risks and Opportunities

5. Climate Change Risks

5.1 Have you identified any inherent climate change risks that have the potential to generate a substantive change in your business operations,

Risks driven by changes in regulation
Risks driven by changes in physical climate parameters
Risks driven by changes in other climate-related developments

5.1a Please describe your risks driven by changes in regulation

Risk driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of Impact
Emission reporting obligations	Compliance with Australian National Greenhouse Energy Reporting Act (NGER) requires mandatory reporting of GHG emissions and energy usage across the DEXUS Australian portfolio. Data is required to be accurate to +/-5%	Increased operational cost	Up to 1 year	Direct	Virtually certain	Low-medium
Product efficiency regulations and standards	Compliance with Building Energy Efficiency Disclosure (BEED) 2010 Act. This Act came into force in 2010 and 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 building over a minimum 2,000 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.	Increased operational cost	Up to 1 year	Direct	Virtually certain	Medium-high

revenue or expenditure?

Estimated Financial implication	Management method	Cost of management
Corporations that do not register and report on their emissions may be liable for penalties. The NGER legislation allows for administrative, civil and/or criminal penalties in response to non-compliance. DEXUS faces inherent risk in the form of fines of up to $340,000 (2,000 penalty units) for failure to apply for registration, and daily fines of up to $17,000 (100 penalty units) for each day of non-compliance. Obligations under the NGER Act continue, even if the period has expired or the due date has passed.	DEXUS has managed and continues to manage specific resources to deliver the reporting requirements including the appointment of external consultants and internal analysts to manage the collection of and maintenance of emissions data. DEXUS partners with an external service provider to accurately record (including verification of) energy, gas and water consumption and calculate GHG emissions. Adherence to the protocols for the collection and record keeping of data is paramount to the compliance risk. External resources enter the data into the Government's database.	DEXUS has incurred costs of $300,000 per annum. This is made up of internal and external resources, upgrades to software that stores and reports data and annual licence fees, as well as fees for external data assurance.
Disclosure Act 2010 (BEED Act) governs the obligations of building owners that lease or sell commercial offices over 2000m2 in Australia. The legislation addresses non-compliance through monetary infringement notices. DEXUS faces inherent risk in the form of civil penalties of up to $170,000 for the first day of non-compliance and up to $17,000 for each subsequent day of non-compliance may be imposed by a court. Non-compliance costs also include: loss of rent from increased vacancy; inability to transact on a property sale incurring delayed settlement fees; reputational damage if pursued by the administrator.	DEXUS has embedded the BEED Act into its business to ensure compliance with all parts of the legislation. DEXUS maintains a program of continuous NABERS ratings and BEEC documentation to ensure it is compliant with the provisions of the legislation. DEXUS uses the NABERS tool as a benchmark tool and had already rated all eligible properties annually before the impending legislation irrespective of leasing situations. DEXUS continues to NABERS rate all properties and conducts Commercial Building Disclosure Lighting Assessments on each building and ensures buildings support BEECs.	Cost impacts include: Cost to change marketing collateral already in circulation (leasing brochures, web sites, leasing sign board materials); cost of NABERS assessments on unrated properties; cost of NABERS assessments brought forward for those properties due to expire; Cost of applications for exemptions. Costs from ratings for mixed use premises prior to clear guidelines being finalised. Legal costs arising from the interpretation of the Act. Collectively each property incurs costs in excess of $5,000 per annum.

RISKS AND OPPORTUNITIES - INVESTOR CONT'D

5.1b Please describe your inherent risks that are driven by change in physical climate parameters

Risk driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of Impact	Estimated Fi
Tropical cyclones (hurricanes and typhoons)	DEXUS manages properties that are located in Far North Queensland, an area prone to regular cyclone activity. The potential for more regular/extreme events could have a significant financial impact on business and disrupt property operations.	Other: Includes direct damage, costs to repair, increase to insurance premiums, costs to mitigate and adapt business interruption, social/ employee disruption, local economic impacts, supply of goods and services.	>6 years	Direct	Very likely	High	The inherent cyclones are excess, whic insurance co tenants.
Change in precipitation pattern	DEXUS invests in some geographical areas that could be impacted by floods that could increase in impact if there are changes in precipitation. In Australia, investments occur along the eastern seaboard and highly populated areas, some of which are along main rivers and harbours. It may be likely that some properties will be impacted in the future.	Other: Impacts consideration for adaptation strategies and longer term investment decisions. As a result of floods, direct damage could be sustained to properties. Social and local economic factors could also impact the operations of the Group's office, industrial and retail businesses in these areas.	>6 years	Direct	About as likely as not	Medium	For DEXUS, t of change in quantified th is $10,000 p are recovera

nancial implication	Management method	Cost of management
t financial impacts of tropical quantified through insurance h is $10,000 per event. Some osts are recoverable through	As part of local building codes, additional building requirements are mandatory but in many cases when expanding retail centres additional adaptation initiatives may be implemented. DEXUS has an internal review process for identifying risks specific to properties and a checklist of standards that are to be met. In many cases these standards exceed the regulations. As one example, the storm water reticulation was upgraded at a development at Smithfield Shopping Centre to increase the size of pipes and syphonic drainage was installed to increase the water capacity in the event of extreme precipitation. Additionally, cyclone-proof steel car park shade sails were also installed.	Management costs vary by site. Smithfield Shopping Centre incurred additional cost of $40,000 to go beyond the required building code and an additional $65,000 was spent to ensure the material was cyclone-proof.
he inherent financial impacts precipitation patterns are hrough insurance excess, which er event. Some insurance costs able through tenants.	DEXUS has finalised an Australian portfolio wide climate risk assessment that identifies the top 10 properties at risk. In addition DEXUS conducts an ongoing comprehensive risk audit program to identify and evaluate and mitigate risk with regard to personal health and safety, building safety, environmental hazards and climate change, security and insurance risk. Within these audits, each property's exposure to storm and flood damage is assessed and any risks identified are prioritised for mitigation and adaptation strategies. The risk analysis process involves: - Risk identification - Risk analysis: Determine inherent risk by assessing likelihood and impact, and effectiveness of current controls - Evaluation: Evaluate residual risks and apply risk mapping tools to decide whether a particular risk is acceptable, factoring in the frequency, likelihood of occurrence, and the potential environmental, financial or business impacts. - Treatment: Develop Risk Treatment Plans for all 'Significant' or 'High' risks to mitigate either the cause of the risk or the effects. For example, the stormwater infrastructure is oversized at properties at risk of flooding due to increased precipitation. Risk assessments and the risk register are updated annually to identify changing risks and to monitor the effective implementation of risk mitigation actions.	Costs associated with mitigation and future adaptation are determined on a property by property basis. For example, Smithfield Shopping Centre spent an additional $40,000 on oversizing stormwater pipework to mitigate the risk of on-site flooding due to heavy precipitation. Risks have been identified for the top 10 properties and plans to adapt are managed at a property level.

5.1c Please describe your inherent risks that are driven by changes in other climate-related developments

Risk Driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of Impact	Estimated Fi
Reputation	Reputational risk is of primary concern to DEXUS and the financial implications of not managing this risk can have a significant impact on the organisation, investors, customers, people and other key stakeholders in the wider community. Reputation is critical to attracting new capital and impacts DEXUS's ability to deliver investor returns and enable future growth.	Reduced stock price (market valuation)	1 to 3 years	Direct	Very likely	High	The inheren DEXUS's repu measured th attracting n required ret enabling fut more compe superior sec In this conte reputation v ability attra DEXUS's sha negatively i ranging fron A 10% fall in would result $700m in los investors ba capitalisatio
Changing consumer behaviour	Changing consumer behaviour and tenant preference for energy efficient buildings could lead to a devaluation of the property portfolio if DEXUS fails to future-proof the portfolio to enhance energy efficiency. The public sector as well as a number of private sector industries have minimum NABERS ratings requirements and cannot occupy buildings that do not meet their requirements.	Reduced demand for goods/ services	1 to 3 years	Direct	Very likely	High	Inherent fina risk change comprise inc lower rental lease incent For example in occupanc consumer de rental incom per annum a portfolio. Op increase as inefficient. implication in the upgra

nancial implication	Management method	Cost of management
t financial impacts of utational risk can be hrough the ability of ew capital, delivering turns to investors and ture growth, having a etitive cost of capital and urity price performance. ext, failure to manage would jeopardise DEXUS's ct capital partners. re price would also be mpacted; with estimates n 5% to 25% or more. DEXUS's share price t in approximately ss of share value for sed on current market on.	DEXUS creates value for its stakeholders and manages its reputation in this area through a commitment to a robust governance and management structure and its dedicated response to reporting requirements. Through its CR&S framework DEXUS systematically identifies, quantifies and responds to ESG issues within strategic decision making and operations. DEXUS is a signatory to the UNPRI and has integrated these principles. For example, DEXUS conducts ESG due diligence for property transactions, applies technology and operational expertise to reduce resource use and greenhouse gas emissions, partners with like-minded suppliers, and promotes diversity, equality and basic human rights. DEXUS conducts an ongoing comprehensive risk audit program to identify and evaluate and mitigate risks including those posed by climate change. DEXUS sets ongoing continuous improvement emissions reduction targets for its property portfolio and monitors operational efficiency and performance targets set for its third party property managers. In addition, regulatory compliance, capital investment, carbon analysis and education of staff, investors and other stakeholders form part of the way DEXUS undertakes its responsibilities regarding carbon management. DEXUS proactively manages its reputation through disclosure of its environmental performance and has been recognised globally as a leader by inclusion on various indices including DJSI, FTSE4Good Index and the Group's commitment to the CDP.	Costs to maintain company reputation include staff resourcing, capital investment, engaging consultants to advise and assist building design and delivery, reporting software services, memberships to industry associations (costing DEXUS $60,000 pa) (e.g. GBCA, Australasian Investor Relations Association) to keep abreast of emerging trends. For example DEXUS enhanced its reputation and successfully repositioning 50 Carrington St, by focusing on customer service and building efficiency upgrades. DEXUS invested approximately $3.1m to upgrade the mechanical services, controls and lighting which in turn helped increase the building's occupancy from 61% to 99%. The works resulted in an improvement in the building's NABERS Energy rating from 3 stars at acquisition to 5 stars at the point of sale.
ancial implications of in consumer behaviour creased vacancy periods, l income or increases in ives (ie lease discounts). e a 1% reduction y due to changing emand would reduce ne by approximately $6m across DEXUS's listed perating costs would also energy usage remains The other financial is the capital investment ade of the property.	DEXUS manages is risk regarding changing consumer behaviour in three ways: 1. Capital investments in properties to maximise building energy efficiency, and reduce greenhouse gas emissions. The primary drivers of energy reduction are the implementation of strategic improvement plans, working with engineers to assess the efficiency and potential upgrade of lighting air conditioning systems and Building Management systems and software. DEXUS analyses the potential improvement of the property versus the cost of upgrades, the requirements of the tenant and value of the lease before commitment to expenditure. 2. Analyse consumer trends through market research and develop adaption plans. 3. Focusing on tenant needs and issues to provide service excellence.	DEXUS has incurred cost in excess of $100,000 for the assessment of an individual property upgrade potential, implementation of the works, leasing discussions, rating costs for the property and compliance with legislative reporting requirements. This excludes the cost of equipment and ongoing monitoring costs.

6. Climate Change Opportunities

6.1 Have you identified any inherent climate change opportunities that have the potential to generate a substantive change in your business operations, revenue or expenditure?

Opportunities driven by changes in regulation
Opportunities driven by changes in physical climate parameters
Opportunities driven by changes in other climate-related developments

6.1a Please describe your inherent opportunities that are driven by changes in regulation

Opportunity driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of Impact	Esti
Voluntary agreements	Emissions Reduction Fund (ERF): The opportunity exists for DEXUS to generate revenue for demonstrated carbon abatement across its portfolio by participating in the Federal Government's Emissions Reduction Fund. The Emissions Reduction Fund provides positive incentives to businesses across the economy to reduce emissions. Its aim is to reduce emissions at lowest cost and contribute towards Australia's 2020 emissions reduction target of five per cent below 2000 levels by 2020. Businesses who meet the eligibility requirements can undertake activities in accordance with approved emissions reduction methods under the Emissions Reduction Fund. They can then sell the resulting emissions reductions to the Clean Energy Regulator, acting on behalf of the Government. Abatement contracts are available for periods up to 5-7 years with a minimum abatement of 2,000t. CO_2-e pa.	Reduced operational costs	>6 years	Direct	Virtually certain	High	Bas of $ reve for of a This $4m part 12,(
Emission reporting obligations	Australian National Greenhouse and Energy Reporting (NGER) Act: Mandatory reporting of GHG emissions and energy usage across the DEXUS Australian portfolio. Data is required to be accurate to +/- 5%. DEXUS utilises this reporting to measure the success of initiatives to reduce operating costs as well as ensuring accountability for the reductions.	Reduced operational costs	3 to 6 years	Direct	Virtually certain	High	Com DEX stru up r sees effi billi proc ulti the con save ene

mated Financial implication	Management method	Cost of management
ed on the first auction average price 13.95, DEXUS estimates the potential enue from participation in the ERF a minimum 2,000 t.CO_2-e per annum batement across 6 years is $167,400. s amount would add to an estimated n reduction in operating costs across ticipating properties due to saving 000 tonnes over the 6 year period.	Participation in the ERF requires DEXUS to implement new energy efficiency and emissions reduction projects in line with its capital expenditure and operational efficiency program. Example projects include upgrading existing HVAC systems including upgrading Building Management Control Systems, advanced building control analytics, installation of high efficiency chillers in some cases and modifications to the water distribution systems incorporating variable speed drives and high efficiency motors. DEXUS would register its projects for review and accreditation by the Clean Energy Regulator. Crediting involves determining an amount of emissions reductions delivered by an emissions reduction project. Crediting rules will be set out in emissions reduction methods. Once accredited, the Clean Energy Regulator will issue one Australian Carbon Credit Unit for each tonne of emissions reductions delivered under a method. Credits can then be sold to the Government through a reverse auction. DEXUS could elect to participate in competitive reverse auctions, run by the Clean Energy Regulator, to purchase emissions reductions at the lowest available cost. The Regulator will enter into contracts with successful bidders. The contracts will guarantee payment in return for delivery of emissions reductions. DEXUS would monitor project implementation and measure and verify the results for reporting to the government under the NGER Act. This evidence will support contract claims.	Based on previous energy efficiency projects, DEXUS estimates that implementation capital expenditure costs of between 5m and $10m depending on the project type will be required in order to realise the minimum annual carbon abatement to participate in the ERF. This is in addition to direct costs to participate in the ERF which are estimated to be in the order of $20,000 to 100,000.
npliance with the NGER Act enables XUS to critically examine reporting uctures, better measure trends and set more efficient tracking systems. DEXUS s an ongoing opportunity to improve ciency and data accuracy, identifying ing errors, conduct competitive energy curement, reductions in emissions and mately lower operating costs across properties and the business. Accurate sumption load data has helped DEXUS e approximately $500k per annum in rgy commodity costs in recent tenders.	A streamlined approach to resource consumption and collection of data has resulted from the engagement of a specialist consultant to manage reporting and data management. All invoices are sent electronically to a central point and provided to the outsourced supplier for collation. Missing data is identified and routinely followed up. This data is stored in a suitable format to allow easy upload to the Government reporting framework and the information can also be easily verified to meet acceptable tolerance levels. DEXUS utilises consumption data to monitor performance and identify initiatives to reduce cost with regard to building operations (eg managing building loads based on occupancy and seasonal ambient temperatures).	DEXUS has incurred costs of $300,000 per annum. This is made up of internal and external resources, upgrades to software that stores and reports data and annual licence fees.

RISKS AND OPPORTUNITIES - INVESTOR CONT'D

Opportunity driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of Impact	Esti
Product labelling regulations and standards	Compliance with Building Energy Efficiency Disclosure (BEED) 2010 Act requires DEXUS to rate the energy efficiency (via NABERS rating) of its portfolio and conduct tenant lighting efficiency assessments. Through these ratings, DEXUS gains visibility of the potential for further energy efficiency improvements that can be implemented to reduce energy use, greenhouse gas emissions and reduce operating costs. This Act came into force in 2010 and 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 building over a minimum 2,000 square metres.	Reduced operational costs	3 to 6 years	Direct	Virtually certain	High	Adh to a cou any rep imp ope ave 5 st equ offi NAB in e port app
Voluntary agreements	NSW Energy Savings Scheme (ESS): The ESS is a white certificate scheme in which businesses can register energy efficiency projects and create Energy Savings Certificates (ESCs) for each tonne of achieved greenhouse gas abatement. DEXUS seeks to leverage off the capital works undertaken within its NABERS improvement program to generate ESCs on an annual basis. Revenue from sale of ESCs is used to offset operational costs. The scheme is forecast to continue until 2020.	Reduced operational costs	3 to 6 years	Direct	Virtually certain	High	In F of E incr fore bet and cost ten

mated Financial implication	Management method	Cost of management
erence to the BEED Act enables DEXUS void fines of $17,000 and a maximum rt imposed penalty of $170,000, plus adverse effects due to vacancy or utational damage. Opportunities to rove energy efficiency and reduce rating costs vary by property. On rage, a Sydney-based property rated ars is 18% more efficient than an ivalent 4.5 star building. The DEXUS ce portfolio has achieved a 4.6 star BERS average rating. A 10% reduction nergy use across the DEXUS office tfolio would reduce operating costs by roximately $4.3m per annum.	DEXUS takes an ongoing approach to assessing and implementing energy efficiency projects as part of its capital works program. DEXUS develops and implements strategic improvement plans, working with engineers to assess the efficiency and potential upgrade of lighting air conditioning systems and Building Management systems and software. DEXUS analyses the potential improvement of the property versus the cost of upgrades, the requirements of the tenant and value of the lease before commitment to expenditure. Projects are scheduled for implementation within annual Asset Plans and savings are tracked by subsequent NABERS ratings, and ongoing energy and greenhouse gas emissions monitoring and reporting. Example projects include upgrading existing HVAC systems including upgrading Building Management Control Systems, advanced building control analytics, installation of high efficiency chillers in some cases and modifications to the water distribution systems incorporating variable speed drives and high efficiency motors.	Cost impacts include: Cost to change marketing collateral already in circulation (leasing brochures, web sites, leasing sign board materials); cost of NABERS assessments on unrated properties; cost of NABERS assessments brought forward for those properties due to expire; Cost of applications for exemptions. Costs from ratings for mixed use premises prior to clear guidelines being finalised. Legal costs arising from the interpretation of the Act. Collectively each property incurs costs in excess of $5,000 per annum.
Y14 DEXUS transacted its first batch Energy Savings Certificates to achieve reased revenue of $470,379. DEXUS ecasts diminishing annual revenue ween FY15 and FY20. These funds have will continue to offset operational ts which benefit both DEXUS and its ants.	To participate in the Energy Savings Scheme, DEXUS registered as an Accredited Certificate Provider and received accreditation for a Registered Energy Saving Activity (RESA) which outlined DEXUS's proposed method, in line with prescribed methods, for generating ESCs in arrears based on changes in each property's NABERS Energy rating. DEXUS established a baseline NABERS Energy rating prior to energy efficiency projects being implemented. Following 12 months of operation post project implementation DEXUS re-rated each property and calculated the number of ESCs to generate based on the accredited method. DEXUS then created the agreed number of ESCs and proceeded to sell those into the market. DEXUS continues to rate each property on an annual basis to facilitate future claims.	DEXUS has incurred costs with establishing itself as an Accredited Certificate Provider, including obtaining legal advice, collecting data and preparing baselines, internal labour costs and application fees. Each property incurs costs in excess of $5,000 per annum for ratings and program participation.

6.1b Please describe the inherent opportunities that are driven by changes in physical climate parameters

Risk driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of Impact	Estima
Change in precipitation extremes and droughts	DEXUS manages retail properties that are located in Far North Queensland, an area prone to regular cyclone activity. Risk assessments have identified opportunities for resilience and property adaptation through further development of the property. This will enhance the long term value and potential returns from the property and DEXUS as a whole.	Increased stock price (market valuation)	>6 years	Direct	Very likely	High	DEXU desig and d costs in usa extren terms and ri but ev to DE delive NABE premi
Other physical climate opportunities	DEXUS completes physical climate change risk assessments for all Australian and New Zealand properties with action plans put in place for the top "10 properties". The opportunity to DEXUS is to identify adaptation and mitigation opportunities that will enable tenants to maintain trading within a property at risk of the impacts of climate change.	Other: Risk profiles have been developed and opportunities identified for adaptation and property value protection.	1 to 3 years	Direct	Very likely	Unknown	Clima Austra prope assess mater shopp chang tenan

ated Financial implication	Management method	Cost of management
S assesses resilience and innovative n regarding precipitation extremes roughts. DEXUS's implementation vary and with a payback measured ge savings or in risk mitigation re: me events. Opportunities exist in of superior design, energy efficiency sk mitigation. 'Green' premiums vary vident in most cases and relevant XUS (5 star NABERS energy rating rs 9% green premium, 3 to 4.5 star RS energy rating delivers 2-3% green um).	As a market leader DEXUS employs consultants with a strong reputation in their fields and require consultants to have proven track record in property. DEXUS engages specialists only after a thorough tender process to identify a consultant team that can provide innovative and best practice solutions. DEXUS consults with various authorities, project managers and advisory groups to ensure developments, retrofits and new builds respond to expected climate change impacts and maximise energy efficiency opportunities to reduce greenhouse emissions. DEXUS maximises the use of Green Star in Australia for developments and ensures all eligible properties are rated under NABERS Energy and Water and have targets to improve. DEXUS communicates building performance to potential tenants to raise awareness and confirm its commitment to leading practices and operations.	Stringent design and evaluation processes already exists across property developments/ retrofits for evaluation of opportunities as climate change assessment continues to expand for each project. Climate change impacts are factored into investment decision making via the Sustainable Investment Guidelines. Risks are identified prior to finalising design briefs and thus identify and minimise additional costs early in the project. Risk assessments typically cost DEXUS up to $10,000 per site.
te risk assessments for DEXUS's alian portfolio assess the impact of the rties' geographic location as well as an sment on current design and building ials. One week's loss of revenue from a ing centre that closes due to a climate ge event negatively impacts DEXUS's t revenues by around 2%.	The scope is to assess risk to the property in relation to predicted changes in physical climate over the next 10, 20 and 50 years, key timelines include 2030 and beyond. The model considers potential impacts to 2070. Revised data from government agencies, as it is being released, is being used to factor in risk. DEXUS will continue to update its reports, registers and action plans annually to reflect updates in data available and any changes to its portfolio (acquisitions and disposals).	This will provide us with the opportunity to prioritise capital investment in retrofits, redevelopment or extension to existing properties. Property valuation, resilience, attractiveness to lessees, reduced vacancy levels and portfolio reputation will be protected by this opportunity. Final costs associated with any adaptation are yet to be finalised and will be confirmed on completion of the assessment and perceived risk. Risk assessments typically cost DEXUS up to $10,000 per site.

6.1c Please describe the opportunities that are driven by changes in other climate-related developments

Opportunity driver	Description	Potential Impact	Timeframe	Direct / Indirect	Likelihood	Magnitude of Impact	Estimated Fir
Reputation	DEXUS is a leader in CR&S and with this comes an expectation that DEXUS will continue to deliver superior returns, implement carbon reduction strategies and behave in an ethical and responsible manner to its stakeholders and reduce the impact if its operations on the environment in which it operates. With its leader status, DEXUS has the opportunity to outperform the broader market and attract investors by positively managing its reputation.	Increase in capital availability	3 to 6 years	Direct	More likely than not	High	The opportur is attracting returns to inv growth, more and superior Following the acquisition a prudent capi its listed por for Standard for Moody's i reduced the circa 10 bas has shown th in interest ra across the DI FY14.
Changing consumer behaviour	DEXUS has the opportunity to benefit from changing consumer behaviour, including Government and some private sector tenants that now require a minimum level of energy efficiency in their office tenancies. In order for DEXUS to maintain occupancy levels, continual upgrades and innovation in buildings is required to maintain efficiency levels. NABERS Energy ratings of 4 stars and above are increasingly being sought by government and corporate tenants.	Increased demand for existing products/services	>6 years	Direct	Virtually certain	High	The direct fir opportunity c investment a of the proper in occupancy demand wou by approxima DEXUS's list lies in DEXU emissions to these returns

nancial implication	Management method	Cost of management
nity for managing reputation also new capital, delivering required vestors and enabling future e competitive cost of capital security price performance. e announcement of a major nd demonstrated reputation for tal management, DEXUS had tfolio's credit rating upgraded & Poor's in March 2014 and n May 2014 which immediately cost of drawn bank debt by is points. Sensitivity analysis hat a 50 basis point reduction tes would reduce interest paid EXUS listed trusts by $12m in	Regulatory compliance, capital investment, carbon analysis and education of the organisation's staff, investors and other stakeholders form part of the way DEXUS undertakes its responsibilities regarding carbon management. DEXUS manages its reputation in this area through a commitment to a robust governance and management structure and a dedicated response to reporting requirements. DEXUS has been recognised globally as a leader by inclusion on various indices, as outlined in its CR&S report including DJSI, FTSE4Good Index and commitment to the CDP. DEXUS is a signatory to the UNPRI and have integrated these principles throughout the organisation. DEXUS draws on market expertise by engaging a specialist consultancy annually to assist with the formation and ongoing management of the Climate Change Risk Report, Climate Change Impact Property Register and Property Climate Change Action Plans.	Costs to maintain company reputation include staff resourcing, capital investment, engaging consultants to advise and assist building design and delivery, reporting software services, memberships to industry associations (costing DEXUS $60,000 pa) (e.g. GBCA, Australasian Investor Relations Association) to keep abreast of emerging trends. For example DEXUS enhanced its reputation and successfully repositioning 50 Carrington St, by focusing on customer service and building efficiency upgrades. DEXUS invested approximately $3.1m to upgrade the mechanical services, controls and lighting which in turn helped increase the building's occupancy from 61% to 99%. The works resulted in an improvement in the building's NABERS Energy rating from 3 stars at acquisition to 5 stars at the point of sale.
nancial implications of the can be measured by returns on chieved based on the efficiency ty. For example a 1% increase y due to changing consumer ld increase rental income ately $6m per annum across ed portfolio. Thus opportunity S's ability to reduce greenhouse maximise returns to achieve s.	DEXUS focuses on delivering customer service excellence and providing tenants with premium buildings that demonstrate environmental leadership. DEXUS comprehensively manages its building operations to provide tenants with safe, efficient, connected, high-performing assets. DEXUS takes an ongoing approach to assessing and implementing energy efficiency projects as part of its capital works program. DEXUS develops and implements strategic improvement plans, working with engineers to assess the efficiency and potential upgrade of lighting air conditioning systems and Building Management systems and software. Projects are scheduled for implementation within annual Asset Plans and savings are tracked by subsequent NABERS ratings, and ongoing energy and greenhouse gas emissions monitoring and reporting. Example projects include upgrading existing HVAC systems including upgrading Building Management Control Systems, advanced building control analytics, installation of high efficiency chillers in some cases and modifications to the water distribution systems incorporating variable speed drives and high efficiency motors.	Costs to maintain implement building sustainability upgrades vary from project to project and include staff resourcing, capital investment, engaging consultants to advise, capital expenditure and operating costs. For example DEXUS successfully repositioned 50 Carrington St, by focusing on customer service and building efficiency upgrades. DEXUS invested approximately $3.1m to upgrade the mechanical services, controls and lighting which in turn helped increase the building's occupancy from 61% to 99%. The works resulted in an improvement in the building's NABERS Energy rating from 3 stars at acquisition to 5 stars at the point of sale.

Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading

7. Emissions Methodology

7.1 Please provide your base year and base year emissions (Scopes 1 and 2)

Scope	Base year	Base year emissions [metric tonnes CO_2e]
Scope 1	Sun 01 Jul 2007 - Mon 30 Jun 2008	6,226
Scope 2	Sun 01 Jul 2007 - Mon 30 Jun 2008	151,951

7.2 Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act
New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

7.3 Please give the source for the global warming potentials you have used

Gas	Reference
CO_2	IPCC Fourth Assessment Report (AR4 - 100 year)
CH_4	IPCC Fourth Assessment Report (AR4 - 100 year)
N_2O	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	IPCC Fourth Assessment Report (AR4 - 100 year)

7.4 Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data at the bottom of this page

Fuel/Material/ Energy	Emission Factor	Unit	Reference
Electricity	0.87	metric tonnes CO_2e per MWh	NSW and ACT, Australia - NGER Measurement Determination 2008, Schedule 1, Part 6, page 357, July 2013
Electricity	1.17	metric tonnes CO_2e per MWh	VIC, Australia - NGER Measurement Determination 2008, Schedule 1, Part 6, page 357, July 2013
Electricity	0.82	metric tonnes CO_2e per MWh	QLD, Australia - NGER Measurement Determination 2008, Schedule 1, Part 6, page 357, July 2013
Electricity	0.62	metric tonnes CO_2e per MWh	SA, Australia - NGER Measurement Determination 2008, Schedule 1, Part 6, page 357, July 2013
Electricity	0.78	metric tonnes CO_2e per MWh	WA, Australia - NGER Measurement Determination 2008, Schedule 1, Part 6, page 357, July 2013
Electricity	0.20	metric tonnes CO_2e per MWh	TAS, Australia - NGER Measurement Determination 2008, Schedule 1, Part 6, page 357, July 2013

Fuel/Material/ Energy	Emission Factor	Unit	Reference
Electricity	0.165	metric tonnes CO_2e per MWh	New Zealand - Guidance for Voluntary Corporate Greenhouse Gas Reporting, Section 3.2.1, Table 4, page 20, April 2014
Natural gas	0.05133	metric tonnes CO_2e per GJ	Australia - NGER Measurement Determination 2008, Schedule 1, Part 2, page 350, July 2013
Natural gas	0.05347	metric tonnes CO_2e per GJ	New Zealand - Guidance for Voluntary Corporate Greenhouse Gas Reporting, Section 3.1.1, Table 1, page 14, April 2014
Diesel/Gas oil	0.0695	metric tonnes CO_2e per GJ	Australia - NGER Measurement Determination 2008, Schedule 1, Part 3, page 351, July 2013
Diesel/Gas oil	0.10222	metric tonnes CO_2e per GJ	New Zealand - Guidance for Voluntary Corporate Greenhouse Gas Reporting, Section 3.1.1, Table 1, page 14 (emission factor) and Table 21, page 35 (calorific value) April 2014

8. Emissions Data - (1 Jul 2013 - 30 Jun 2014)

8.1 Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

8.2 Please provide your gross global Scope 1 emissions figures in metric tonnes CO_2e

10,780.6

8.3 Please provide your gross global Scope 2 emissions figures in metric tonnes CO_2e

118,853.7

8.4 Are there are any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

8.4a Please provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure

n/a

8.5 Please estimate the level of uncertainty of the total gross global Scope 1 and 2 emissions figures that you have supplied and specify the sources of uncertainty in your data gathering, handling and calculations

Scope	Uncertainty Range	Main sources of uncertainty	Please expand on the uncertainty in your data
Scope 1	More than 2% but less than or equal to 5%	Assumptions Extrapolation Metering/ Measurement Constraints Data Management	The Australian and New Zealand FY14 data received 'limited assurance' and is derived directly from invoices collated and entered into a resource consumption database stored by DEXUS and by a third party. Scope 1 uncertainty has been calculated in accordance with requirements and methods set out within the NGER Act. The areas of uncertainty included are those related to energy content factors, emission factors, measurement of activity data and extrapolation. Where an invoice was not received at the time of reporting, the metered data was entered in place of the monthly consumption figure. Where metered data was not available either, an estimate was applied following the limited assurance criteria and Resource Consumption Methodology.
Scope 2	Less than or equal to 2%	Assumptions Extrapolation Metering/ Measurement Constraints Data Management	The Australian and New Zealand FY14 data received 'limited assurance' and is derived directly from invoices collated and entered into a resource consumption database stored by DEXUS and by a third party. Scope 2 uncertainty has been estimated in line with methods set out within the NGER Act. The areas of uncertainty included are those related to energy content factors, emission factors, measurement of activity data and extrapolation. Where an invoice was not received at the time of reporting, the metered data was entered in place of the monthly consumption figure. Where metered data was not available either, an estimate was applied following the limited assurance criteria and Resource Consumption Methodology.

8.6 Please indicate the verification/assurance status that applies to your reported Scope 1 emissions

Third party verification or assurance complete

8.6a Please provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of reported Scope 1 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/27/4627/Climate Change 2015/Shared Documents/Attachments/ CC8.6a/DEXUS 2014 Assurance Report.pdf	Pages 1-2	ASAE3000	100

8.6b Please provide further details of the regulatory regime to which you are complying that specifies the use of Continuous Emissions Monitoring Systems (CEMS)

n/a

8.7 Please indicate the verification/assurance status that applies to your reported Scope 2 emissions

Third party verification or assurance complete

8.7a Please provide further details of the verification/assurance undertaken for your Scope 2 emissions, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/section reference	Relevant standard	Proportion of Scope 2 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/27/4627/Climate Change 2015/Shared Documents/Attachments/ CC8.7a/DEXUS 2014 Assurance Report.pdf	Pages 1-2	ASAE3000	100

8.8 Please identify if any data points have been verified as part of the third party verification work undertaken, other than the verification of emissions figures reported in 8.6, 8.7 and 14.2

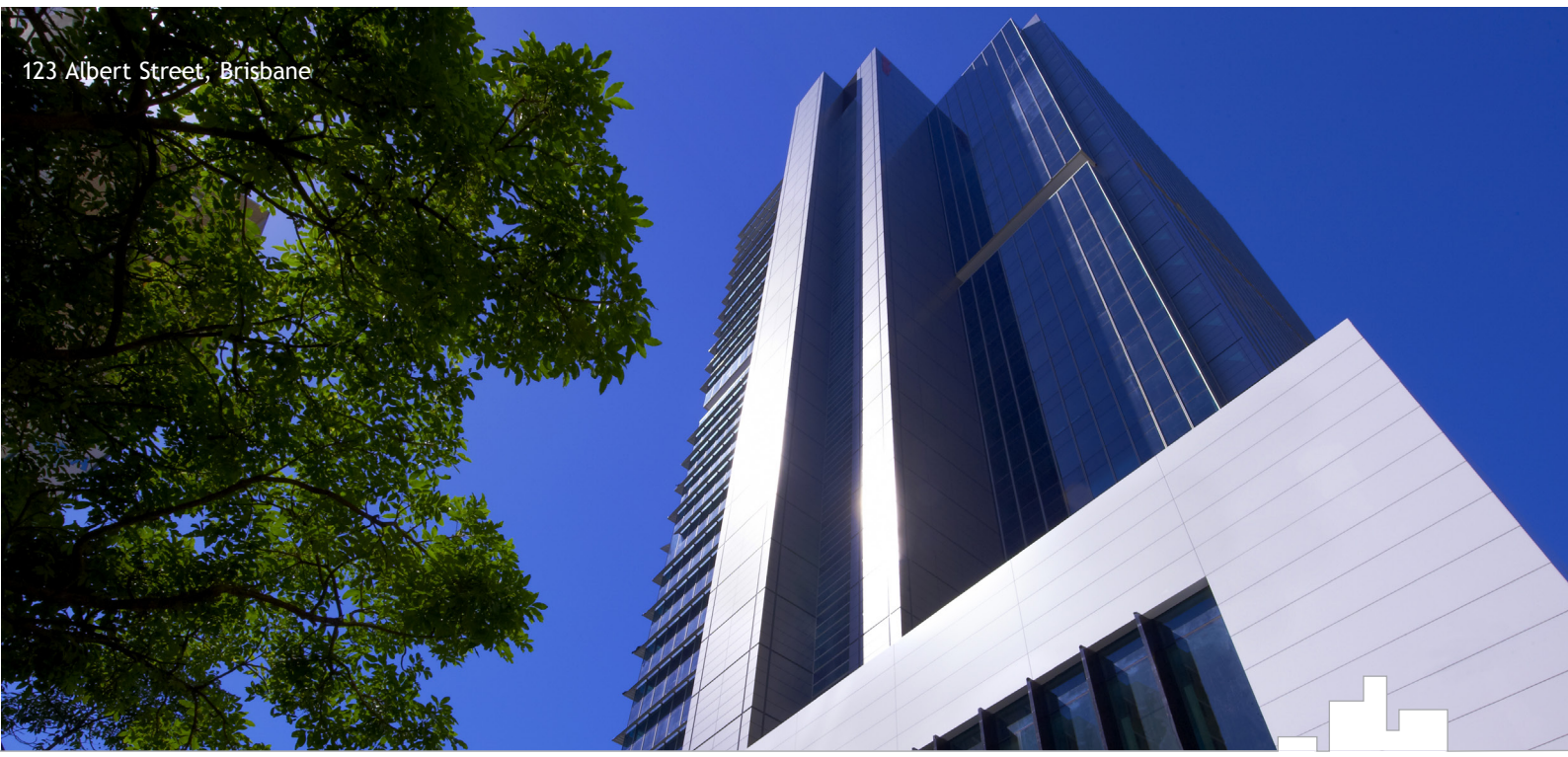
Additional data points verified	Comment
Other: Total energy (GJ), total water (kL), Total recycling and waste to landfill (T), Scope 3 emissions from waste and energy transmission/distribution	Limited assurance also included assessment of total energy consumption, total water consumption, total recycling and waste to landfill, and scope 3 emissions from waste and energy transmission/distribution within the same boundary and time period

8.9 Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

8.9a Please provide the emissions from biologically sequestered carbon relevant to your organization in metric tonnes CO_2

n/a



9. Scope 1 Emissions Breakdown - (1 Jul 2013 - 30 Jun 2014)

9.1 Do you have Scope 1 emissions sources in more than one country?

Yes

9.1a Please break down your total gross global Scope 1 emissions by country/region

Country/Region	Scope 1 metric tonnes CO_2e
Australia	5424.44
New Zealand	2.90

9.2 Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)

n/a

9.2a Please break down your total gross global Scope 1 emissions by business division

n/a

9.2b Please break down your total gross global Scope 1 emissions by facility

n/a

9.2c Please break down your total gross global Scope 1 emissions by GHG type

n/a

9.2d Please break down your total gross global Scope 1 emissions by activity

n/a

9.2e Please break down your total gross global Scope 1 emissions by legal structure

n/a

10. Scope 2 Emissions Breakdown - (1 Jul 2013 - 30 Jun 2014)

10.1 Do you have Scope 2 emissions sources in more than one country?

Yes

10.1a Please break down your total gross global Scope 2 emissions and energy consumption by country/region

Country/Region	Scope 2 metric tonnes CO_2e	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low carbon electricity, heat, steam or cooling accounted for 8.3 (MWh)
Australia	118,460.3	129,079.4	12,194
New Zealand	393.4	2,384.3	0

10.2 Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)

n/a

10.2a Please break down your total gross global Scope 2 emissions by business division

n/a

10.2b Please break down your total gross global Scope 2 emissions by facility

n/a

10.2c Please break down your total gross global Scope 2 emissions by activity

n/a

10.2d Please break down your total gross global Scope 2 emissions by legal structure

n/a

11. Energy

11.1 What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

11.2 Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has purchased and consumed during the reporting year

Energy type	MWh
Fuel	34,780.1
Electricity	131,463.7
Heat	0
Steam	0
Cooling	0

11.3 Please complete the table by breaking down the total "Fuel" figure entered above by fuel type

Fuels	MWh
Diesel/Gas oil	1,368.1
Natural gas	33,412.0

11.4 Please provide details of the electricity, heat, steam or cooling amounts that were accounted at a low carbon emission factor in the Scope 2 figure reported in 8.3

Basis for applying a low carbon emission factor	MWh associated with low carbon electricity, heat, steam or cooling	Comment
Supplier specific, backed by instruments	12,125	DEXUS precommits to purchasing a quantity of GreenPower (for the FY14 reporting period, this was 12,125 MWh) that offsets a percentage of electricity used in buildings that have been sourced from carbon intensive sources (such as electricity sourced from coal-fired power stations). The quantity of GreenPower is sourced from production from wind farms in Australia and is government accredited (being a joint initiative of the ACT, NSW, SA, QLD and VIC Governments in Australia).
Non-grid connected low carbon electricity generation owned by company, no instruments created	69	DEXUS operates a 45kW solar photovoltaic array at its Garema Court property, which generated 69 MWh of electricity from emission-free, renewable solar energy for use within the building.

12. Emissions Performance

12.1 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?

Increased

12.1a Please identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year

Reason	Emissions value (percentage)	Direction of change	Comment
Emissions reduction activities	4.15	Decrease	During the FY14 reporting period, DEXUS achieved a 4.15% reduction in absolute emissions (scope 1 and 2 combined) from FY13 and 24.4% overall when compared to the baseline year of FY08. The data shows that GHG emissions on an intensity basis for the DEXUS Australia and New Zealand portfolio reduced by 4.8% and Energy on an intensity basis (MJ/sqm) decreased by 4.0% during the 12 month period. Emissions have decreased across DEXUS operations primarily due to a number of integrated, targeted emissions reduction activities. These include major plant replacements and upgrades, DEXUS's resource consumption reduction targets, the installation of sub and smart meters, retail centre building upgrades and plant replacements, increased training for onsite Building Services Managers to ensure optimal building performance and best practice building management and engineering. The 4.15% decrease is equal to 4,611.9 t.CO_2-e / 111,239.83 t.CO_2-e where 4,611.9 is the change in emissions from emission reduction activities and 111,239.83 t.CO_2-e is the total Scope 1 and 2 emissions reported by DEXUS in FY13.
Divestment	1.2	Decrease	During the FY14 reporting period, DEXUS divested several properties which has contributed to a 1,327.9 t.CO_2-e or 1.2% reduction in emissions reported. The 1.2% decrease is equal to 1,327.9 t.CO_2-e / 111,239.83 t.CO_2-e where 1,327.9 is the change in emissions from properties that were disposed during the reporting period and 111,239.83 t.CO_2-e is the total Scope 1 and 2 emissions reported by DEXUS in FY13.
Acquisitions	20.0	Increase	During the FY14 reporting period, DEXUS acquired or obtained operational control over several properties. As a result of additional properties being included as new sources of GHG emissions there was an increase of 22,227.8 t.CO_2-e or 20.0% in emissions reported. The 20.0% increase is equal to 22,227.8 t.CO_2-e / 111,239.83 t.CO_2-e where 22,227.8 is the change in emissions from properties that were acquired during the reporting period and 111,239.83 t.CO_2-e is the total Scope 1 and 2 emissions reported by DEXUS in FY13.
Mergers			
Change in output			
Change in methodology	1.9	Increase	During FY14 DEXUS commenced transition to a new Environmental Data Reporting System. As part of this transition, DEXUS reviewed and enhanced its dataset for FY14 to replace estimated data with actuals where data had been received after the previous reporting deadline, and to include incidental emissions sources including stationary fuels and leakage from air conditioning refrigerants in order to align datasets and reporting periods with data reported under the NGER Act. Together these changes resulted in an increase of 2,108.6 t.CO_2-e or 1.9% of emissions reported. The 1.9% increase is equal to 2,108.6 t.CO_2-e / 111,239.83 t.CO_2-e where 2,108.6 is the change in emissions resulting from methodology changes and 111,239.83 t.CO_2-e is the total Scope 1 and 2 emissions reported by DEXUS in FY13.
Change in boundary			

Reason	Emissions value (percentage)	Direction of change	Comment
Change in physical operating conditions	0.01	Decrease	DEXUS manages a portfolio of properties that include Office and Retail asset types. These premises provide occupants with a comfortable, air conditioned environment by heating and cooling as required according to thermal needs. These needs are due in part to external ambient air temperatures. Cooling is required when the outdoor temperatures rise about the target interior temperature and likewise heating is required when outdoor temperatures drop. Mechanical HVAC systems consume energy and create emissions when operating to provide conditioned air to occupants. Daily electricity and natural gas use is determined in part by ongoing variations in climate conditions. During the FY14 reporting period Australia and New Zealand experienced greater fluctuations in temperatures when measured against FY13. This has been determined by examining temperature data across each region and calculating the overall heating and cooling requirements in the form of heating and cooling degree days. Some key variations include - Sydney and Brisbane saw increases in cooling requirements of 13% and 9% respectively, while Melbourne saw a 6% reduction in cooling requirements. These changes result in increases or decreases in energy use associated with building air conditioning. Nearly all properties saw a reduction in heating needs between 11% and 47% with Sydney and Melbourne seeing reductions in heating needs of 20% and 24% respectively, which resulted in reduced energy use for heating and associated greenhouse gas emissions. At a portfolio level the increased cooling requirement and reduced heating requirements largely offset each other, accounting for a decrease of approximately 2.2 t. CO_2-e or 0.01% in greenhouse gas emissions. The 0.01% decrease is equal to 2.2 t.CO_2-e / 111,239.83 t.CO_2-e where 2.2 is the net change in emissions resulting from changes in ambient temperatures and 111,239.83 t.CO_2-e is the total Scope 1 and 2 emissions reported by DEXUS in FY13.
Unidentified			
Other			

12.2 Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO_2e per unit currency total revenue

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.000157	metric tonnes CO_2e	unit total revenue	3.5	Decrease	In the previous year, DEXUS's emissions were 0.0001627 tonnes of CO_2e/$revenue. DEXUS increased revenue from the previous year by 20.8%while total Scope 1 and Scope 2 GHG emissions by 16.5% from the previous year, thus leading to a 3.5% reduction in intensity per $revenue. During FY14 the 16.5% net increase in DEXUS's absolute Scope 1 and 2 emissions resulted from an increase of 20.7% due to changes to its portfolio, minor changes in data methodology and operating conditions. This 20.7% increase was offset by a decrease in emissions of 4.15% due to emissions reduction activities including major plant replacements and upgrades, DEXUS's resource consumption reduction program, the installation of sub and smart meters, retail centre building upgrades and plant replacements, increased training for onsite Building Services Managers who ensure the buildings are performing to their optimum, and good management and engineering practice.

12.3 Please describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO_2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
469.6895	metric tonnes CO_2e	FTE employee	1.2	Decrease	In the previous year, DEXUS's emissions were 475.3839 tonnes of CO_2e/FTE. DEXUS increased its total Scope 1 and Scope 2 GHG emissions by 16.5% from the previous year and increased FTEs from the previous year by 17.9% resulting in a reduction in intensity per FTE of 1.2%. The increases in absolute emissions and staff numbers are due to acquisitions and divestments as well as changes in calculation methodology, which combined increased emissions by 20.7%. However this rise in emissions was offset by a decrease in emissions of 4.15% due to emissions reduction activities including major plant replacements and upgrades, DEXUS's resource consumption reduction program, the installation of sub and smart meters, retail centre building upgrades and plant replacements, increased training for onsite Building Services Managers who ensure the buildings are performing to their optimum, and good management and engineering practice.

12.4 Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for change
0.050664	metric tonnes CO_2e	square meter	3.0	Increase	In the previous year, DEXUS's emissions were 0.04918 tonnes of CO_2e/square metre. DEXUS increased total Scope 1 and Scope 2 GHG emissions by 16.5% from the previous year and increased emissions per square metre from the previous year by 3.0%. The 3.0% increase in intensity per square metre is due to acquisition of office properties which have a higher emissions intensity per square metre than the portfolio average intensity which includes a range of industrial properties, an asset class with a significantly lower emissions intensity. These office acquisitions effectively reweighted the portfolio towards office assets, with a corresponding increase in the portfolio emissions intensity. During FY14 the lettable area (square metres) of office properties within the portfolio increased by 22.2% (time apportioned), while corresponding emissions increased by a lesser amount of 18.1%, with a net decrease in office emissions intensity of 4.14% arising from emissions reduction activities. Across the portfolio emissions increased by 20.7% due to these acquisitions and minor changes in data methodologies, however this was offset by an overall decrease in portfolio emissions of 4.15% due to emissions reduction activities including major plant replacements and upgrades, DEXUS's resource consumption reduction program, the installation of sub and smart meters, retail centre building upgrades and plant replacements, increased training for onsite Building Services Managers who ensure the buildings are performing to their optimum, and good management and engineering practice.

13. Emissions Trading

13.1 Do you participate in any emissions trading schemes?

No, and we do not currently anticipate doing so in the next two years

13.2 Has your organization originated any project-based carbon credits or purchased any within the reporting period?

Yes

13.2a Please provide details on the project-based carbon credits originated or purchased by your organization in the reporting period

Credit origination or credit purchase	Project type	Project identification	Verified to which standard	Number of credits (metric tonnes of CO_2e)	Number of credits (metric tonnes CO_2e): Risk adjusted volume	Credits cancelled	Purpose, e.g. compliance
Credit Purchase	Forests	Redd Forests Grouped Project: Protection of Tasmanian Native Forest: The purpose and objective of the Grouped Project is to protect native forest that will be logged in the absence of carbon finance. Protecting forests from timber harvesting reduces emissions caused by harvesting and maintains the forest carbon stock.	VCS (Verified Carbon Standard)	800	800	Yes	Voluntary Offsetting
Credit Purchase	Biomass energy	Project: Anhui Biomass Project, China - The project originator has constructed and operates the installed 130t/h boiler and 30MW steam turbine generator to utilise renewable biomasses for energy consumption. The boiler takes rice straw, maize straw, peanut straw and wood residues as fuel for power generation.	VCS (Verified Carbon Standard)	700	700	Yes	Voluntary Offsetting
Credit Purchase	Wind	Project: Tamil Nadu Wind Project, India - This project promotes the sustainable development of the wind industry by bringing investors together, with small to medium power requirements, to invest in wind technologies. The project consists of over 800 Wind Turbine Generators (WTGs) that generate in excess of 800 GWh of renewable energy, enhancing the investment environment into the wind industry, providing long term and short term employment opportunities and opportunities for small business due to population increase.	VCS (Verified Carbon Standard)	700	700	Yes	Voluntary Offsetting
Credit Origination	Other: Energy efficiency: Commercial and Retail properties	DEXUS NABERS Improvement program: DEXUS has generated ESCs through the implementation of energy efficiency measures including upgrades to building services plant and equipment and proactive management of building operations.	Other: NSW Energy Savings Scheme (ESS)	32446	32446	Not relevant	Other: Revenue creation to offset capital outlays in energy efficiency projects to reduce payback

175 Pitt Street, Sydney

14. Scope 3 Emissions

14.1 Please account for your organization's Scope 3 emissions, disclosing and explaining any exclusions

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO_2e	Emissions calculation methodology
Purchased goods and services	Relevant, calculated	5.6	Other indirect emissions from paper procured at DEXUS's Sydney and Melbourne Offices (tCO_2-e) = emissions factor ($kgCO_2/t$)/1000. Factor: Emission Factor= kg x 1.08. Source: EPA Paper note, dat
Capital goods	Not relevant, explanation provided		
Fuel-and-energy-related activities (not included in Scope 1 or 2)	Relevant, calculated	22,877.2	Energy indirect emissions from transmission and distribution losses associated with purchased elec properties and tenancies (tCO_2-e) = (annual total electricity consumption (kWh) x scope 3 emission Factor: Scope 3 Emission factors Electricity: NSW & ACT= 0.19 (kg CO_2-e/kWh), VIC = 0.15 (kg CO_2 kWh), SA = 0.11 (kg CO_2-e/kWh), TAS = 0.02 (kg CO_2-e/kWh), WA = 0.06 (kg CO_2-e/kWh). Source: En Accounts (NGA) Factors (July 2013), Table 41, page 73. New Zealand = 0.0153 (kg CO_2-e/kWh). Sou Greenhouse Gas Reporting (2012), Table 5, page 15. Energy indirect emissions from transmission a purchased natural gas across DEXUS investment properties (tCO_2-e)= (annual total natural gas cons factor ($kgCO_2$-e/GJ)/1000. Factor: Scope 3 Emission factors - Natural Gas: NSW & ACT= 12.8 (kg C QLD = 8.7 (kg CO_2-e/GJ), SA = 10.4 (kg CO_2-e/GJ), TAS = 0.00 (kg CO_2-e/GJ), WA = 4.0 (kg CO_2-e/GJ Greenhouse Accounts (NGA) Factors (July 2013), Table 37, page 71. New Zealand = 5.23 (kg CO_2-e/ Corporate Greenhouse Gas Reporting (2012), Table 6, page 16.
Upstream transportation and distribution	Not relevant, explanation provided		
Waste generated in operations	Relevant, calculated	6,806.0	Other indirect emissions from waste to land fill from DEXUS's investment properties and tenancies to landfill (tonnes) x emissions factor (tCO_2/tonne). Factor: Emission Factor = 1.1 ($t.CO_2$-e/tonne) Greenhouse Accounts (NGA) Factors (July 2013), Table 44, page 79. Weight-based measurement for DEXUS properties and this data is used to develop density factors for each specific waste collection waste data that is collected in volume to an equivalent weight across the remaining DEXUS sites.

	Percentage of emissions calculated using data obtained from suppliers or value chain partners	Explanation
total weight of paper purchased (kg) x ted May 2011.	100.00%	
		As defined by GHG Protocol, Capital goods are defined as manufacturing/construction of capital equipment owned or controlled by the reporting company. DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. The organisation does not have capital goods that are material in nature and therefore not relevant. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.
tricity across DEXUS investment s factor (kgCO_2-e/kWh)/1000. -e/kWh), QLD = 0.14 (kg CO_2-e/ nergy indirect: National Greenhouse rce: Guidance for Voluntary Corporate nd distribution losses associated with umption (GJ) x scope 3 emissions CO_2-e/GJ), VIC = 3.9 (kg CO_2-e/GJ), J). Source: Energy indirect: National GJ). Source: Guidance for Voluntary	100.00%	
		DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. DEXUS has assessed the materiality of transportation and distribution associated with purchased goods and services and determined that it is not relevant. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.
(tCO_2-e) = total weight of waste . Source: Other indirect: National r waste collection occurs at selected n stream which are used to convert	100.00%	

GHG EMISSIONS ACCOUNTING, ENERGY AND FUEL USE AND TRADING - INVESTOR CONT'D

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO_2e	Emissions calculation methodology
Business travel	Relevant, calculated	1008.6	Other indirect emissions from air travel for all national employees (tCO_2-e) = ((total SHF km travel factor)+ (total MHF km travelled x km uplift factor x MHF emissions factor)+ (total LHF km travelle factor)) x RFI multiplier. Factor: Short haul 0.18698; Medium haul 0.10601; Long haul 0.13407; kn Index (RFI) 1.9. Source: 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company R Emission Factors. Other indirect emissions from taxi travel for all national employees (tCO_2-e) = content factor (GJ/kL) x (scope 1 + scope 3) emissions factor (tCO_2/GJ). Factor: Fuel combustion gas (LPG). Energy content factor (GJ/kL) 26.2, Emission factor (CO_2: 59.6, CH_4: 0.6, N_2O:0.6); Scop National Greenhouse Accounts (NGA) factors (July 2013) - Table 4, page 18 Fuel combustion emissi 40, page 72: Scope 3 emission factors - liquid fuels and certain petroleum based products. Othe for all national employees (tCO_2-e) = total kL fuel consumed x (scope 1+ scope 3) emissions factor emission factor- Gasoline (other than for use as fuel in an aircraft). Energy content factor (GJ/kL) CH_4: 0.6, N_2O:2.3); Scope 3 emissions factor = 5.3. Source: National Greenhouse Accounts (NGA) f 18 Fuel combustion emission factors (Transport Fuels); Table 40, page 72: Scope 3 emission factors based products. Other indirect emissions from hire cars for all national employees (tCO_2-e) = to scope 3) emissions factor (tCO_2/GJ). Factor: Fuel combustion emission factor - Gasoline (other th Energy content factor (GJ/kL) 34.2, Emission factor (CO_2: 66.7, CH4: 0.6, N_2O:2.3); Scope 3 emissi Greenhouse Accounts (NGA) factors (July 2013) - Table 4, page 18 Fuel combustion emission factor Scope 3 emission factors - liquid fuels and certain petroleum based products.
Employee commuting	Relevant, calculated	346.7	Other indirect emissions from employee commuting for all national employees (tCO_2-e) were calcu DEXUS surveyed staff in June 2014 to collect data on employee commuting habits, with a response employee commuting (tCO_2-e) were compiled for each survey response with emissions arising from train, tram, ferry, car, and pooled car as well as zero emission sources including walking/running a were extrapolated to cover 100% of DEXUS FTEs. 4) A 10% contingency was added to determine the commuting for all national employees (tCO_2-e). Calculations: for each mode of transport, greenho passenger distance (pkm) travelled x combined emissions factor ($kgCO_2$/pkm/1000). Combined emi = 0, cycling = 0, bus = 0.093, train = 0.124, tram = 0.187, ferry = 0.301, car = 0.278, pooled car = 0 train: AGO National Greenhouse Gas Inventory - Analysis of Recent Trends and Greenhouse Indicato 17; Car and pooled car: National Greenhouse Accounts (NGA) factors (July 2013) - Table 4, page 1 (Transport Fuels) Table 40, page 72: Scope 3 emission factors- liquid fuels and certain petroleum ba pooled car - assumed average vehicle fuel efficiency of 10.9 litres/100km; pooled car carries two p
Upstream leased assets	Not relevant, explanation provided		
Downstream transportation and distribution	Not relevant, explanation provided		
Processing of sold products	Not relevant, explanation provided		

	Percentage of emissions calculated using primary data	Explanation
led x km uplift factor x SHF emissions ed x km uplift factor x LHF emissions n uplift factor 9%; Radioactive Forcing Reporting: Methodology Paper for = total kL fuel consumed x energy emission factor- Liquefied petroleum pe 3 emissions factor = 5.0. Source: on factors (Transport Fuels), Table r indirect emissions from car mileage (tCO_2/GJ). Factor: Fuel combustion 34.2, Emission factor (CO_2: 66.7, actors (July 2013) - Table 4, page s- liquid fuels and certain petroleum tal kL fuel consumed x (scope 1+ han for use as fuel in an aircraft). ons factor = 5.3. Source: National rs (Transport Fuels); Table 40, page 72:	100.00%	
lated using the following process: 1. rate of 60%. 2) Scope 3 emissions from the following modes of travel: bus, nd cycling. 3) The total emissions e total emissions for employee use gas emissions (tCO_2-e) = total ssions factors($kgCO_2$/pkm): walking .139. Sources: Bus, ferry, tram, rs 1990 - 2005: Tables 12, 15, 16 and 16 Fuel combustion emission factors ased products. Assumptions: Car, passengers.	0.00%	
		DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. DEXUS does not have a fleet of cars or any other leased assets that are material and therefore have not been included in the inventory. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.
		DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. DEXUS has assessed the materiality of transportation and distribution associated with sold goods and services and determined that it is not material to its business. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.
		DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. DEXUS does not manufacture or produce products therefore has deemed emissions from processing of sold products not relevant to its business. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Sources of Scope 3 emissions	Evaluation status	metric tonnes CO_2e	Emissions calculation methodology
Use of sold products	Not relevant, explanation provided		
End of life treatment of sold products	Not relevant, explanation provided		
Downstream leased assets	Not relevant, explanation provided		
Franchises	Not relevant, explanation provided		
Investments	Not relevant, explanation provided		
Other (upstream)			
Other (downstream)			

14.2 Please indicate the verification/assurance status that applies to your reported Scope 3 emissions

Third party verification or assurance complete

14.2a Please provide further details of the verification/assurance undertaken, and attach the relevant statements

Type of verification or assurance	Attach the statement	Page/Section reference	Relevant standard	Proportion of Scope 3 emissions verified (%)
Limited assurance	https://www.cdp.net/sites/2015/27/4627/Climate Change 2015/Shared Documents/Attachments/CC14.2a/DEXUS 2014 Assurance Report.pdf	1-2	ASAE3000	96

14.3 Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?

Yes

	Percentage of emissions calculated using primary data	Explanation
		DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. DEXUS does not manufacture or produce products therefore has deemed emissions from use of sold products not relevant to its business. DEXUS has calculated and included scope 3 emissions impacted by its operations. These were determined based on the criteria listed for scope 3 emissions in the GHG Protocol and based on the NCOS Standard.
		DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. DEXUS does not manufacture or produce products therefore has deemed emissions from end of life treatment of sold products as not relevant to its business. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.
		DEXUS has calculated and included scope 3 emissions impacted by its operations. These were determined based on the criteria listed for scope 3 emissions in the GHG Protocol and based on the NCOS Standard. DEXUS does not lease non property assets therefore emissions from downstream leased assets are not relevant to its business. DEXUS identified Investments as being a relevant source of scope 3 emissions and has made a public commitment to expand its boundary to include emissions from its properties in the next financial year. This commitment was made publically in the 2012 Annual Review.
		DEXUS does not have any Franchises. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.
		DEXUS invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. DEXUS does not hold indirect investments. DEXUS has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

14.3a Please identify the reasons for any change in your Scope 3 emissions and for each of them specify how your emissions compare to the previous year

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Purchased goods & services	Change in output	17.9	Increase	Absolute Scope 3 GHG emissions from paper purchased increased from 5.1 tCO_2-e to 5.6 tCO_2-e in FY14, this equates to a 10% increase. The primary reason for the increase is an increase in output. During FY14 the DEXUS portfolio grew through net acquisitions by approximately 270,000 square metres (time-weighted for ownership period) or 11.9%, and during this year the number of FTEs also increased by 17.9%. On a like-for-like FTE basis, the FY14 emissions for purchased paper would have been, 4.7tCO_2-e which represents a decrease of 6.9%, which is due to ongoing emissions reduction activities to transition DEXUS towards a paperless office. Initiatives included the introduction of electronic filing and a reduction in the number of printers available from 18 to six. The new printers were fitted with swipe card technology that requires staff to login prior to printing a document, which avoids unnecessary printing through behaviour management as well as avoiding situations where print jobs are never collected.
Purchased goods & services	Emissions reduction activities	6.9	Decrease	Absolute Scope 3 GHG emissions from paper purchased increased from 5.1 tCO_2-e to 5.6 tCO_2-e in FY14, this equates to a 10% increase. The primary reason for the increase is an increase in output. During FY14 the DEXUS portfolio grew through net acquisitions by approximately 270,000 square metres or 11.9%, and during this year the number of FTEs also increased by 17.9%. On a like-for-like FTE basis, the FY14 emissions for purchased paper would have been, 4.7tCO_2-e which represents a decrease of 6.9%, which is due to ongoing emissions reduction activities to transition DEXUS towards a paperless office. Initiatives included the introduction of electronic filing and a reduction in the number of printers available from 18 to six. The new printers were fitted with swipe card technology that requires staff to login prior to printing a document, which avoids unnecessary printing through behaviour management as well as avoiding situations where print jobs are never collected.
Business travel	Change in methodology	1.2	Decrease	In FY14 DEXUS reviewed and updated its method for calculating Scope 3 emissions from car travel. This resulted in a minor change to the inventory.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Emissions reduction activities	2.9	Decrease	During the FY14 reporting period, DEXUS achieved a reduction in fuel and energy related Scope 3 emissions of 578 tCO_2-e or 2.9% against FY13. Scope 3 emissions from fuel and energy related activities have decreased across DEXUS operations primarily due to a number of integrated, targeted emissions reduction activities which have reduced energy use and associated transmission and distribution losses. These include major plant replacements and upgrades, DEXUS's resource consumption reduction targets, the installation of sub and smart meters, retail centre building upgrades and plant replacements, increased training for onsite Building Services Managers to ensure optimal building performance and best practice building management and engineering.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Acquisitions	20.2	Increase	During the FY14 reporting period, DEXUS acquired or obtained operational control over several properties. As a result of additional properties being included as new sources of GHG emissions there was an increase of 4000.7 t.CO_2-e or 20.2% in fuel and energy related Scope 3 emissions reported.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Divestment	1.4	Decrease	During the FY14 reporting period, DEXUS divested several properties which has contributed to a 286.5 t.CO_2-e or 1.4% reduction in fuel and energy related Scope 3 emissions reported.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in methodology	0.5	Decrease	During FY14 DEXUS commenced transition to a new Environmental Data Reporting System. As part of this transition, DEXUS reviewed and enhanced its dataset for FY14 to replace estimated data with actuals where data had been received after the previous reporting deadline, and to include incidental emissions sources including stationary fuels and leakage from air conditioning refrigerants in order to align datasets and reporting periods with data reported under the NGER Act. Together these changes resulted in a reduction of 96.8t.CO_2-e or 0.5% of Scope 3 emissions reported.
Fuel- and energy-related activities (not included in Scopes 1 or 2)	Change in physical operating conditions	0.2	Increase	DEXUS manages a portfolio of properties that include Office and Retail asset types. These premises provide occupants with a comfortable, air conditioned environment by heating and cooling as required according to thermal needs. These needs are due in part to external ambient air temperatures. Cooling is required when the outdoor temperatures rise about the target interior temperature and likewise heating is required when outdoor temperatures drop. Mechanical HVAC systems consume energy and create emissions when operating to provide conditioned air to occupants. Daily electricity and natural gas use is determined in part by ongoing variations in climate conditions. During the FY14 reporting period Australia and New Zealand experienced greater fluctuations in temperatures when measured against FY13. This has been determined by examining temperature data across each region and calculating the overall heating and cooling requirements in the form of heating and cooling degree days. Some key variations include - Sydney and Brisbane saw increases in cooling requirements of 13% and 9% respectively, while Melbourne saw a 6% reduction in cooling requirements. These changes result in increases or decreases in energy use associated with building air conditioning. Nearly all properties saw a reduction in heating needs between 11% and 47% with Sydney and Melbourne seeing reductions in heating needs of 20% and 24% respectively, which resulted in reduced energy use for heating and associated greenhouse gas emissions. At a portfolio level the increased cooling requirement and reduced heating requirements largely offset each other, accounting for an increase of approximately 38.4 t. CO_2-e or 0.2% in fuel and energy related Scope 3 greenhouse gas emissions.
Waste generated in operations	Emissions reduction activities	1.5	Decrease	During the FY14 reporting period, DEXUS achieved a reduction in waste from operations related Scope 3 emissions of 541.1 tCO_2-e or 1.5% against FY13. Scope 3 emissions from waste from operations activities have decreased across DEXUS operations primarily due to a number of integrated, targeted emissions reduction activities which have focused on improving recycling rates. These include tenant awareness and training, enhancing practices to improve waste segregation and installation of weight scales at selected properties to improve data collection. DEXUS successfully achieved limited assurance over its FY14 waste and recycling dataset for the first time.

Sources of Scope 3 emissions	Reason for change	Emissions value (percentage)	Direction of change	Comment
Waste generated in operations	Change in methodology	86.4	Decrease	During FY14 DEXUS reviewed its methodology for estimating its emissions from waste in operations activities and modified its disclosure to report waste figures in weight(tonnes) rather than volume. DEXUS collaborated with its waste contractors and environmental auditors to agree on default density factors for each waste stream which were derived from data samples where waste was being weighed across DEXUS and similar buildings. This methodology replaces the previous approach based on an overly conservative waste density factor. Together these changes resulted in a reduction of 30,326.3 t.CO_2-e or 86.4% in Scope 3 emissions associated with waste from operations reported. DEXUS has applied its updated methodology to its entire historical dataset, which was publicly disclosed in its FY14 Performance Pack which is available via the DEXUS website (www.dexus.com). DEXUS successfully achieved limited assurance over its FY14 waste and recycling dataset for the first time.
Waste generated in operations	Acquisitions	3.5	Increase	During the FY14 reporting period, DEXUS acquired or obtained operational control over several properties. As a result of additional properties being included as new sources of GHG emissions there was an increase of 1220.7 t.CO_2-e or 3.5% in reported Scope 3 emissions relating to waste from operations. DEXUS successfully achieved limited assurance over its FY14 waste and recycling dataset for the first time.
Waste generated in operations	Divestment	0.2	Decrease	During the FY14 reporting period, DEXUS divested several properties which have contributed to a 80.8 t.CO_2-e or 0.2% reduction in reported Scope 3 emissions relating to waste from operations. DEXUS successfully achieved limited assurance over its FY14 waste and recycling dataset for the first time.
Waste generated in operations	Change in boundary	4.0	Increase	During the FY14 reporting period, DEXUS expanded its data capture to include data from additional sites across the portfolio. Data capture increased from 79% in FY13 to 90% of the office and retail portfolio (on an area basis and inclusive of acquisitions and disposals) and resulted in an additional 1,416.4 t.CO_2-e or 4.0% increase in reported Scope 3 emissions relating to waste from operations.

14.4 Do you engage with any of the elements of your value chain on GHG emissions and climate change strategies?

Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

14.4a Please give details of methods of engagement, your strategy for prioritizing engagements and measures of success

DEXUS, as a signatory to the United Nations Principles of Responsible Investment, is committed to delivering sustained value to its investors from all of its activities while respecting and supporting its various stakeholders. DEXUS's strategy and strategic objectives will be implemented through its CR&S framework. Being globally recognised as the leading real estate company in Australia in office, core capabilities, capital partnerships and capital and risk management requires DEXUS to fulfil its commitments to its:

- investors
- tenants
- employees
- suppliers
- community
- environment

DEXUS has a robust stakeholder engagement strategy in place that allows us to measure, assess and respond to material issues, using the framework outlined under the AA1000 standard.

1. Supplier Engagement:

DEXUS engages with suppliers specifically on sustainability and climate change when re-negotiating a service agreement and during formal tender processes. DEXUS requires all new suppliers to submit as part of their application, a CR&S specific questionnaire on CR&S policies and processes, this forms part of the selection tool DEXUS uses. Further, all tender documentation and service agreements have DEXUS CR&S policies and KPIs integrated within. DEXUS prioritises its engagements based on the commodity/ service involved, the size of the contract, its criticality to business continuity and the like mindedness of the supplier. DEXUS's measure of success is for policies and KPIs to be embedded within service agreements and that CR&S performance against agreed KPIs is measured on an ongoing basis. An example KPI for a cleaning contractor is "95% of all cleaning products must have a low environmental impact". This KPI has a 100% compliance threshold and is assessed each month.

2. Tenant engagement:

During FY14, DEXUS was an active participant in numerous tenant engagement initiatives, programs and events targeted at reducing direct and indirect carbon emissions, raising awareness of climate change and carbon emissions and energy-efficiency programs. DEXUS prioritises all tenants equally.

(i) Earth Hour. DEXUS participated in Earth Hour 2014 and 2015, a global initiative by the WWF held on Saturday March 28, 2015. DEXUS participated across its commercial office portfolio by switching off non-essential power and lighting. In 2015, 100% of DEXUS's office properties participated in Earth Hour nationally by turning off all non-essential base building power. DEXUS is proud of its total office tenant participation rate of 96% in the 2014 Earth Hour campaign.

(ii.) City Switch. DEXUS is also involved in City Switch Green Office, a government program focused on engagement, leadership and action by office tenants to improve the environmental performance of their own office accommodation and to publicly demonstrate their commitment, actions and achievements.

(iii.) Tenant surveys. Annually, DEXUS engages with tenants through a tenant satisfaction survey. DEXUS utilises a standardised satisfaction questions for each sector, so that satisfaction levels can be benchmarked across the Group. The questions focus on tenant satisfaction with the organisation's management performance, building maintenance, sustainability, service delivery and responsiveness. The measures of success which are reviewed each year include the overall response rate and the level of satisfaction measured against an internal target.

3. Engagement with other partners:

DEXUS has joint venture partners, where co-ownership of properties exists. DEXUS engages with joint property owners at an operational level to bring consistency and awareness to climate change issues and awareness initiatives. Examples include engagement with joint property managers on events such as Earth Hour with provision of marketing communications and liaising with property tenants on measuring building energy performance via dashboard reporting. DEXUS prioritises its engagements based on the size of its investment in the jointly owned asset, and whether it forms part of DEXUS's core holdings. The measure of success is maximising the energy efficiency and improving and maintaining the NABERS rating of co-owned properties.

14.4b To give a sense of scale of this engagement, please give the number of suppliers with whom you are engaging and the proportion of your total spend that they represent

Number of suppliers	% of total spend	Comment
12	24%	Twelve major suppliers representing 24% of total spend are engaged regularly. Other suppliers are engaged with during re-negotiation of service contracts and formal tender processes. DEXUS also engages with existing suppliers to optimise performance through a structured relationship and performance management process to maximise supplier services levels, manage risk, maintain healthy supplier relationships and realise shared value. In 2014 DEXUS surveyed 12 key suppliers across its preferred supplier panel to a) gain further insight into their day-to-day CR&S systems and practices in order to continue ongoing dialogue regarding corporate responsibility and sustainability (CR&S), b) gain a better understanding of day-to-day CR&S systems, practices and issues, c) Evaluate alignment between DEXUS and its suppliers regarding CR&S ambitions, and d) identify areas for improvement and risk management.

14.4c If you have data on your suppliers' GHG emissions and climate change strategies, please explain how you make use of that data

How you make use of the data	Please give details
We do not have any data	DEXUS is currently reviewing its supply chain management framework and as part of this review DEXUS will consider the costs and benefits of collecting greenhouse gas emissions data from suppliers to assess its supply chain impacts and inform its strategy.

Module: Sign Off

15. Sign Off

15.1 Please provide the following information for the person that has signed off (approved) your CDP climate change response

Name	Job title	Corresponding job category
Craig Mitchell	Executive Director Finance and Chief Operating Officer	Director on board

Property expertise.
Institutional rigour.
Entrepreneurial spirit.

DEXUS
PROPERTY GROUP

www.dexus.com