

# DEXUS Property Group

## 2016 Performance Pack

### Introduction

DEXUS considers corporate responsibility and sustainability an integral part of its daily business operations. Committed to understanding, monitoring and managing social, environmental and economic impact, DEXUS delivers these responsibilities through measurable actions and within corporate policies.

DEXUS reports on its material issues in accordance with Global Reporting Initiative (GRI) G4 requirements.

DEXUS sets measurable performance targets across its key stakeholder groups in line with its strategy, and drives ethical and responsible performance in all areas of its operations.

DEXUS's FY16 commitments are based on material issues which have the greatest impact on its stakeholders across its CR&S framework.

The majority of its FY16 commitments have been achieved and/or progressed. The results relating to each stakeholder group are detailed in the 2016 DEXUS Annual Report supported by non-financial and operational data supplied in this 2016 Performance Pack.

#### DEXUS's materiality assessment

DEXUS continuously seeks to improve the information it reports on, including reviewing material issues to ensure relevance.

In 2015, and previously in 2011, DEXUS formally developed its material issues through an extensive review process outlined below and DEXUS has conducted subsequent annual management reviews of its commitments in the intervening years of 2012 to 2014 and again in 2016 in line with its reporting disclosure.



DEXUS's periodic materiality assessment encompasses an extensive review of DEXUS's materiality for reporting in 2015 facilitated by an independent specialist. The 2015 materiality assessment comprised a four stage process:

1. Identify	2. Engage	3. Prioritise	4. Disclose
<p>DEXUS researched existing and emerging material issues relevant to its business, as identified by:</p> <ul style="list-style-type: none"><li>Local and international best practice peers</li><li>Investment bodies</li><li>Sustainability benchmarking tools</li><li>Industry associations</li></ul>	<p>DEXUS engaged with key stakeholders to identify issues that they considered important to the Group. These included prioritising issues relating to GRI G4 aspects as well as other issues identified by stakeholders.</p>	<p>To ensure an appropriate level of insight on priority, DEXUS sought input from experts across the Group on the relative materiality of the issues, prioritising them based on their significance and likely impact to DEXUS and its stakeholders.</p>	<p>DEXUS has aligned with GRI G4 guidelines to ensure the structure and content of annual results reporting adequately disclosed materiality issues and performance.</p>

# DEXUS Property Group

## 2016 Performance Pack

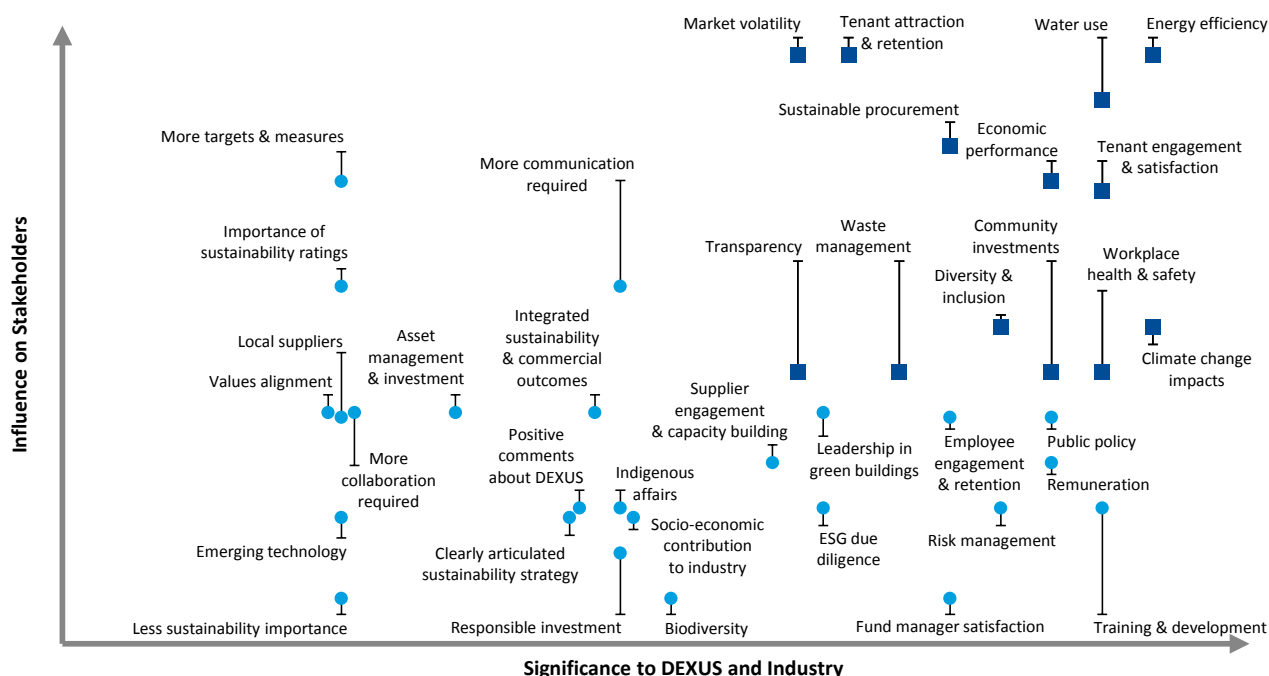
### Introduction

DEXUS's annual management review of its material issues involves an internal review of material issues in the context of the following:

1. Alignment	2. Engagement feedback	3. Prioritise	4. Disclose
Alignment with DEXUS operations, project initiatives and strategic focus areas	Review of issues arising from engagement activities with key stakeholders including:	DEXUS reviews and updates the priority rating it has assigned to its issues and the updated matrix forms the basis of DEXUS's material issues.	DEXUS has aligned with GRI G4 guidelines to ensure the structure and content of annual results reporting adequately disclosed material issues and performance.
Alignment with DEXUS strategic risks and risk management activities	Tenants (e.g. surveys, tenant meetings)  Investor (briefings and direct communication)  Employees (engagement and culture surveys)  Collaboration with industry associations  Sustainability surveys and benchmarks such as CDP, GRESB, DJSI		

The issues identified by DEXUS and its stakeholders were visually correlated to highlight the influence on stakeholders and their importance to DEXUS and the property sector. DEXUS created a matrix to assist in prioritising the most material issues as the basis for ongoing disclosure. These material issues were a major consideration in the development of DEXUS's revised sustainability approach. The material issues align to the key objectives of DEXUS's sustainability approach and have informed its FY17 commitments.

#### DEXUS's Materiality Matrix



The material issues were a major consideration in the development of key objectives within DEXUS's Sustainability Approach and informed DEXUS's FY16 commitments. The materiality matrix also informed the material aspects that have been included within DEXUS's 2015 GRI Index.

# DEXUS Property Group

## 2016 Performance Pack

### Introduction

#### 2016 GRI G4 material issues index

DEXUS's Top 10 material issues reflect priorities for DEXUS and its stakeholders, and align with GRI G4 reporting requirements and DEXUS's sustainability approach. The material issues are not prioritised, but organised under the key sustainability objectives.

Material Issue	Approach	Sustainability objective	Section/document reference
Financial performance	Maintaining strong financial performance over the long term through delivering on strategy	Sustained Value	<a href="#">Chair and CEO Review, Operating &amp; Financial Review</a> (Annual Report)
Transparency	Promoting open communication with investors, supporting DEXUS's strong governance principles	Sustained Value	<a href="#">Corporate Governance Statement</a>
Market volatility	Adopting active leasing and asset management strategies to proactively address variable market conditions	Sustained Value	<a href="#">Office, Industrial, Market Outlook</a> (Annual Report)
Tenant attraction and retention	Enhancing tenant engagement and satisfaction and utilising leasing capabilities to attract and retain tenants in order to improve portfolio occupancy	Future Enabled Tenants	<a href="#">Office, Industrial</a> (Annual Report)
Talent attraction and retention	Attracting, retaining and developing employees to deliver high performance in a diverse and inclusive workplace	Thriving People	<a href="#">People and Culture</a> (Annual Report)
Workplace health and safety	Ensuring the safety of employees, tenants and suppliers at DEXUS properties	Thriving People	<a href="#">People and Culture</a> (Annual Report) <a href="#">Thriving People</a> (Performance Pack) <a href="#">People and Culture Disclosure of Management Approach</a> (GRI Index)
Community contribution	Engaging with the community through corporate social responsibility programs and providing spaces servicing the wider community	Leading Cities	<a href="#">Leading Cities</a> (Performance Pack) <a href="#">Strong Communities</a> (Performance Pack)
Sustainable procurement	Effectively managing supply chain risks in relation to environmental, social and governance issues and identifying opportunities to create value in partnership with suppliers	Strong Communities	<a href="#">Strong Communities</a> (Performance Pack) <a href="#">Supply Chain Disclosure of Management Approach</a> (GRI Index)

# DEXUS Property Group

## 2016 Performance Pack

### Introduction

---

Climate change impacts	Assessing the impact and adopting measures to address the effect of climate change on the property portfolio	Enriched Environment	<a href="#">Enriched Environment</a> (Performance Pack) <a href="#">Environment Disclosure of Management Approach</a> (GRI Index)
Resource efficiency and waste	Improving energy and water efficiency and waste management to enhance environmental outcomes, demonstrated through sustainability ratings	Enriched Environment	<a href="#">Office, Industrial</a> (Annual Report) <a href="#">Enriched Environment</a> (Performance Pack) <a href="#">Environment Disclosure of Management Approach</a> (GRI Index)

---

#### Managing risk

A prudent and robust approach to risk management is an essential part of DEXUS's ongoing success.

DEXUS identifies risk management as one of its key strategic objectives and continuously reviews and evaluates risk to ensure that it is appropriately managed at Board level through the Board Risk Committee, together with the Group Management Committee.

There are various risks that could impact the execution of DEXUS's strategy and outlook, and the nature and potential impact of these risks can change over time. DEXUS actively reviews and manages risks faced by its business over the short, medium and long term, overseen by the Board Risk Committee. For further information on DEXUS's risk management framework refer to the [Review of Results and Operations](#), the [Corporate Governance Statement](#) and the [2016 Annual Report](#).

#### Boundaries

In this [2016 Performance Pack](#), references to 'DEXUS Property Group', 'the Group', 'we', 'us' and 'our' refer to DEXUS Property Group comprising the ASX listed entity and the Third Party Funds Management business, unless otherwise stated. References to 'DEXUS' relate specifically to the portfolio of properties in the ASX listed entity.

Any reference in this report to a 'year' relates to the financial year ended 30 June 2016.

All dollar figures are expressed in Australian dollars unless otherwise stated.

#### Independent assurance

In addition to auditing the Financial Statements, PricewaterhouseCoopers (PwC) provides limited assurance over select data from Australia and New Zealand within the 2016 DEXUS Annual Reporting Suite. This covers the 12 months to 30 June 2016 in accordance with the reporting criteria available at [www.dexus.com/crs](http://www.dexus.com/crs). The Assurance Statement, the GRI verification report and associated reporting criteria documents are available in the 2016 DEXUS Annual Reporting Suite.

Please visit DEXUS's online sustainability reporting library to view:

- The PricewaterhouseCoopers Assurance Statement
- The criteria guidelines used for the assurance of selected data

For a list of CR&S memberships, awards and affiliations visit [www.dexus.com](http://www.dexus.com)

# DEXUS Property Group

## 2016 Performance Pack

### Sustained Value

CREATING SUSTAINED VALUE BY ADOPTING AN APPROACH THAT EMBRACES CONNECTIVITY, LIVEABILITY AND RESILIENCE, AND IS INTEGRATED ACROSS OUR VALUE CHAIN

#### FY16 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY16 ACHIEVEMENTS
<b>INVESTORS</b>		
Deliver FFO and distribution per security growth of 5.5%-6.0%	☑	Delivered 6% FFO and distribution growth per security for FY16
Deliver a return on equity 9-10%	☑	Delivered a return on equity of 19.3% for the year to 30 June 2016 exceeding the 9-10% target
<b>OFFICE AND INDUSTRIAL</b>		
Maintain >95% occupancy in the DEXUS office portfolio	☑	Achieved 96.3% occupancy by income for the DEXUS office portfolio
<b>THIRD PARTY FUNDS MANAGEMENT</b>		
Continue to deliver on investment plans and objectives for third party partners	☑	Delivered on investment objectives for third party clients achieving strong outperformance, improved valuations and expanded the \$3.0 billion third party development pipeline
<b>TRADING</b>		
Progress the high priority opportunities in the trading pipeline	☑	Delivered \$63.3 million in trading profits net of tax in FY16 and identified six priority projects earlier in the year to generate trading profits in the future

References relate to sections in the [2016 DEXUS Annual Report](#) and the data within this section of the 2016 Performance Pack.

# DEXUS Property Group

## 2016 Performance Pack

### Sustained Value

#### DEXUS PORTFOLIO SNAPSHOT

Key metrics		FY12	FY13	FY14 (pre CPA)	FY14 (post CPA)	FY15	FY16
Portfolio value (\$A)	DEXUS portfolio	\$6.9bn	\$7.4bn	\$7.3bn	\$9.1bn	\$9.5bn	\$11.0bn
	Office	\$4.7bn	\$5.9bn	\$5.7bn	\$7.7bn	\$7.8bn	\$9.2bn
	Industrial	\$1.7bn	\$1.4bn	\$1.6bn	\$1.4bn	\$1.7bn	\$1.8bn
	Industrial US* (US\$)	\$549.5m	-	-	-	-	-
Net lettable area (sqm)	DEXUS portfolio	2,468,446 <sup>1</sup>	1,724,800	1,775,487 <sup>1</sup>	1,993,729	2,697,990	2,842,797
	Office	759,737	951,380	682,207	1,490,070	1,403,255	1,566,111
	Industrial	1,239,101	1,251,152	1,254,588	1,254,588	1,294,735	1,276,685
	Industrial US* (sqf)	6.4m	-	-	-	-	-
Funds From Operations <sup>3</sup>	Office	-	-	-	\$455.4m	\$533.3m	\$567.2m
	Industrial	-	-	-	\$122.8m	\$112.3m	\$106.1m
Like-for-like income growth	Office	5.4%	3.6%	1.8%	-	0.2%	1.0%
	Industrial	(1.6%)	1.5%	1.1%	1.5%	0.7%	(7.1%)
	Industrial US*	3.8%	-	-	-	-	-
Occupancy (by income)	DEXUS portfolio	95.8%	94.7%	94.9%	-	-	-
	Office	96.8%	95.2%	94.6%	94.6%	95.3%	96.3%
	Industrial	92.8%	93.0%	96.1%	93.0%	92.4%	90.4%
	Industrial US*	98.2%	-	-	-	-	-
Occupancy (by area)	DEXUS portfolio	93.4%	94.1%	95.3%	-	-	-
	Office	97.1%	94.7%	94.4%	94.3%	95.5%	96.3%
	Industrial	91.7%	93.1%	95.9%	93.1%	91.7%	91.7%
	Industrial US*	97.1%	-	-	-	-	-
Lease duration (by income)	DEXUS portfolio	4.7 years	4.7 years	4.8 years	-	-	-
	Office	4.9 years	4.9 years	5.0 years	4.7 years	4.3 years	4.7 years
	Industrial	4.4 years	4.0 years	4.1 years	4.0 years	4.0 years	4.1 years
	Industrial US*	4.4 years	-	-	-	-	-
Weighted average capitalisation rate	DEXUS portfolio	7.51% <sup>2</sup>	7.13%	7.47%	-	6.88%	6.33%
	Office	7.30%	6.87%	7.17%	-	6.71%	6.16%
	Industrial	8.59%	8.32%	8.55%	8.32%	7.77%	7.38%
	Industrial US*	6.3%	-	-	-	-	-
1 year total return	Office	9.5%	9.2%	10.6%	-	9.6%	16.0%
	Industrial	8.0%	9.0%	8.8%	9.0%	11.3%	16.0%
	Industrial US*	10.0%	-	-	-	-	-

1. Reduction is due to the sale of the US and European portfolios.

2. 7.68% on a like-for-like basis excluding discontinued operations.

3. FFO in accordance with guidelines provided by the Property Council of Australia (PCA): comprises net profit/loss after tax attributable to stapled security holders calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments, derivative and FX mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, deferred tax expense/benefit, transaction costs, amortisation of intangible assets, rental guarantees and coupon income.

\* The Industrial US portfolio was completely sold as at 30 June 2013.

# DEXUS Property Group

## 2016 Performance Pack

### Sustained Value

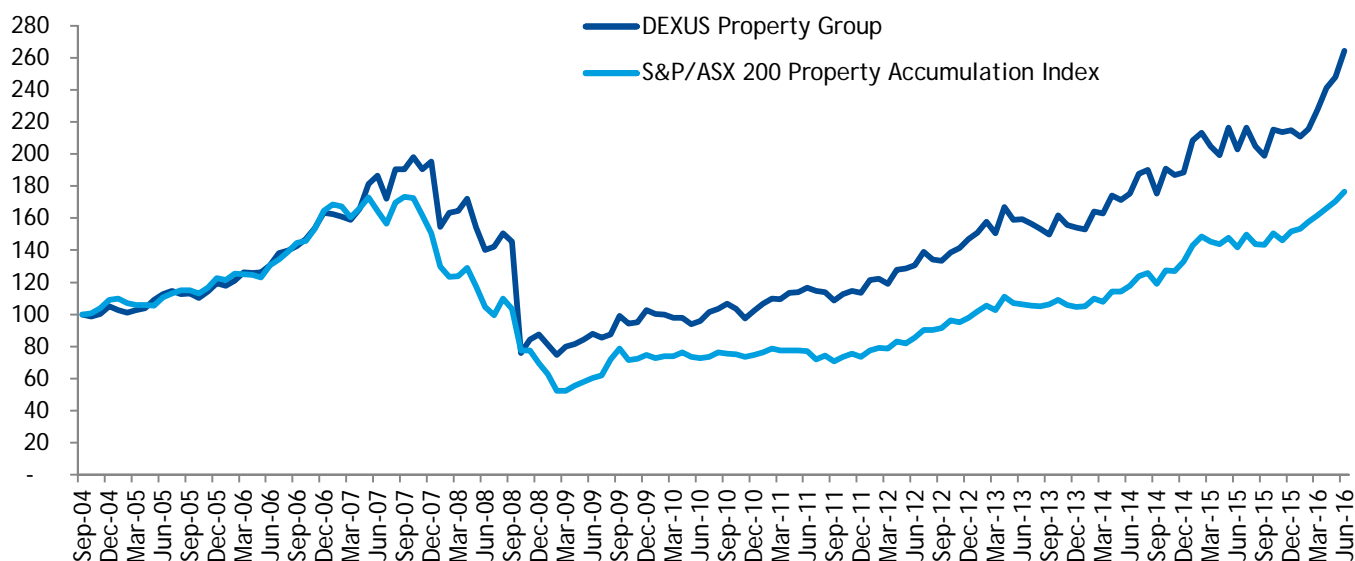
#### FINANCIAL HIGHLIGHTS

Key metrics	FY12	FY13	FY14	FY15	FY16
Net profit after tax (\$m)	181.1	514.5	406.6	618.7	1,259.8
Funds From Operations (\$m)	367.8	365.4	446.6	544.5	610.8
Funds From Operations (cents per security)	7.65	7.75	8.34	59.5 <sup>2</sup>	63.1
Distribution (cents per security)	5.35	6.00	6.26	41.04 <sup>2</sup>	43.51
NTA per security (\$)	1.00	1.05	1.06	6.68 <sup>2</sup>	7.53
Gearing (%) <sup>1</sup>	27.0	29.0	33.7	28.5	30.7 <sup>3</sup>
Total shareholder return (%)	12.2	22.1	9.9	15.8	

- Adjusted for cash and for debt in equity accounted investments. Refer to 2015 DEXUS Annual Report for gearing definition.
- DEXUS completed a one-for-six Security Consolidation in November 2014.
- Gearing is expected to reduce to circa 27% post the receipt of sale proceeds from recent divestments. This includes the sale of 57-65 Templar Road, Erskine Park (trading property); The Zenith, Chatswood; 108 North Terrace, Adelaide; the first 50% tranche of Southgate Complex, Melbourne; and 79-99 St Hilliers Road, Auburn (trading property).

For more financial information refer to the 2016 DEXUS Annual Report.

#### DEXUS PERFORMANCE AGAINST A-REIT INDEX

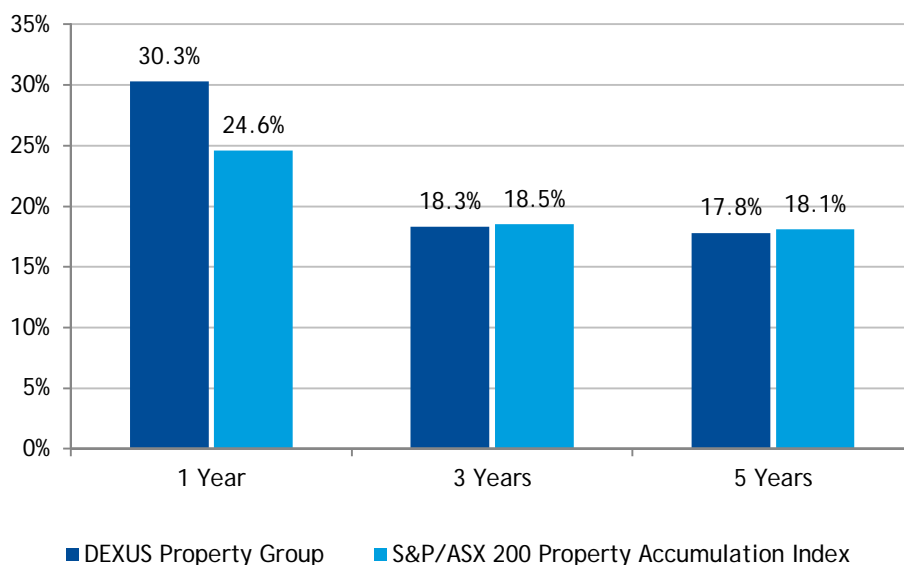


# DEXUS Property Group

## 2016 Performance Pack

### Sustained Value

#### DEXUS TOTAL SECURITY HOLDER RETURN



#### CAPITAL MANAGEMENT

Key metrics	FY12	FY13	FY14	FY15	FY16
Cost of debt <sup>1</sup>	6.1%	5.9%	5.4%	5.2%	4.8%
Duration of debt	4.2 years	5.4 years	5.2 years	5.7 years	5.5 years
Hedged debt <sup>3</sup>	73%	64%	60%	69%	64%
Gearing	27.2%	29.0%	33.7%	28.5%	30.7% <sup>4</sup>
Headroom (approximately) <sup>2</sup>	\$0.6bn	\$0.3bn	\$0.5bn	\$0.8bn	\$0.4bn
S&P/Moody's credit rating	BBB+/Baa1	BBB+/Baa1	A-/A3	A-/A3	A-/A3

1. Weighted average across the period, inclusive of fees and margins on a drawn basis.
2. Undrawn facilities plus cash. Excluding forward start commitments.
3. Average for the year (excluding caps). Average for the year (including caps) was 71%.
4. Gearing is expected to reduce to circa 27% post the receipt of sale proceeds from recent divestments. This includes the sale of 57-65 Templar Road, Erskine Park (trading property); The Zenith, Chatswood; 108 North Terrace, Adelaide; the first 50% tranche of Southgate Complex, Melbourne; and 79-99 St Hilliers Road, Auburn (trading property).

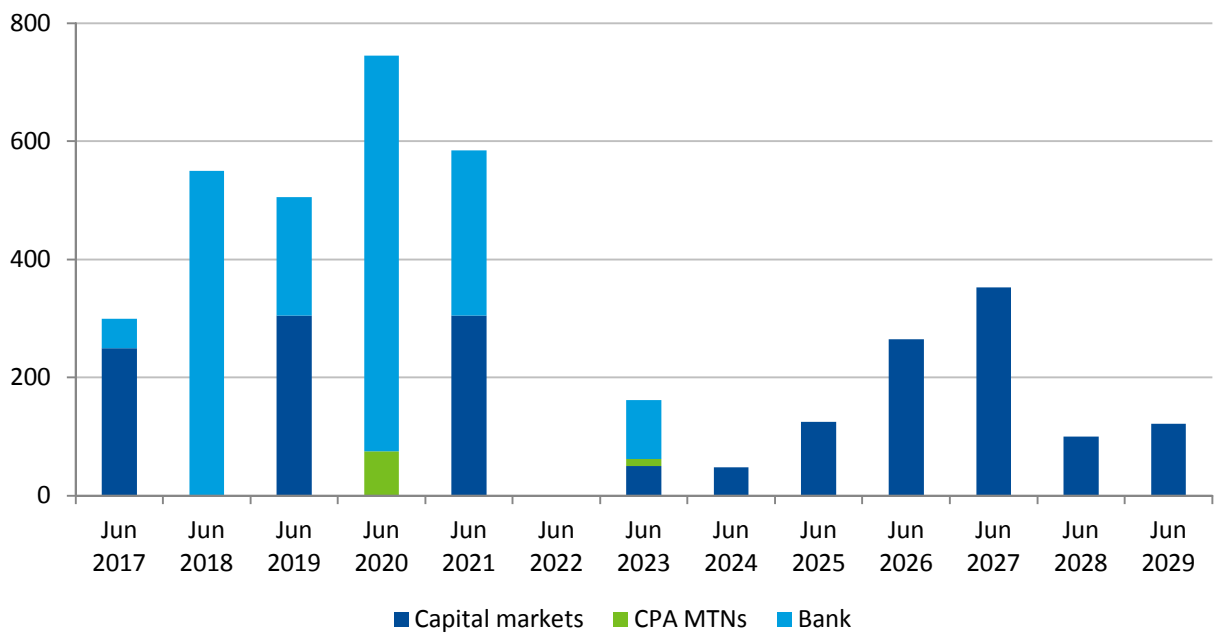


# DEXUS Property Group

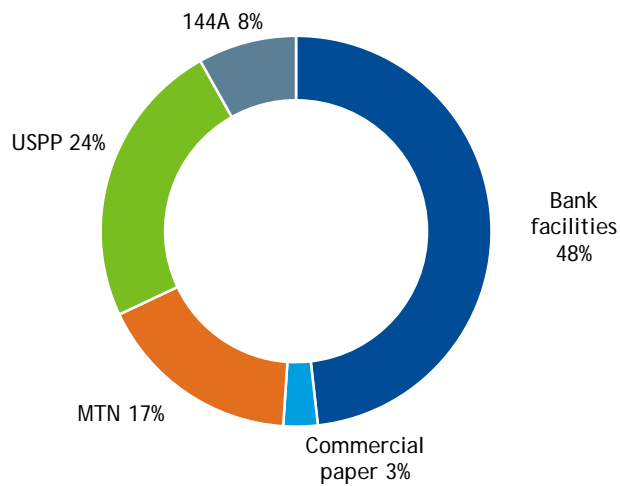
2016 Performance Pack

Sustained Value

## DEBT MATURITY PROFILE



## DIVERSIFIED MIX OF DEBT

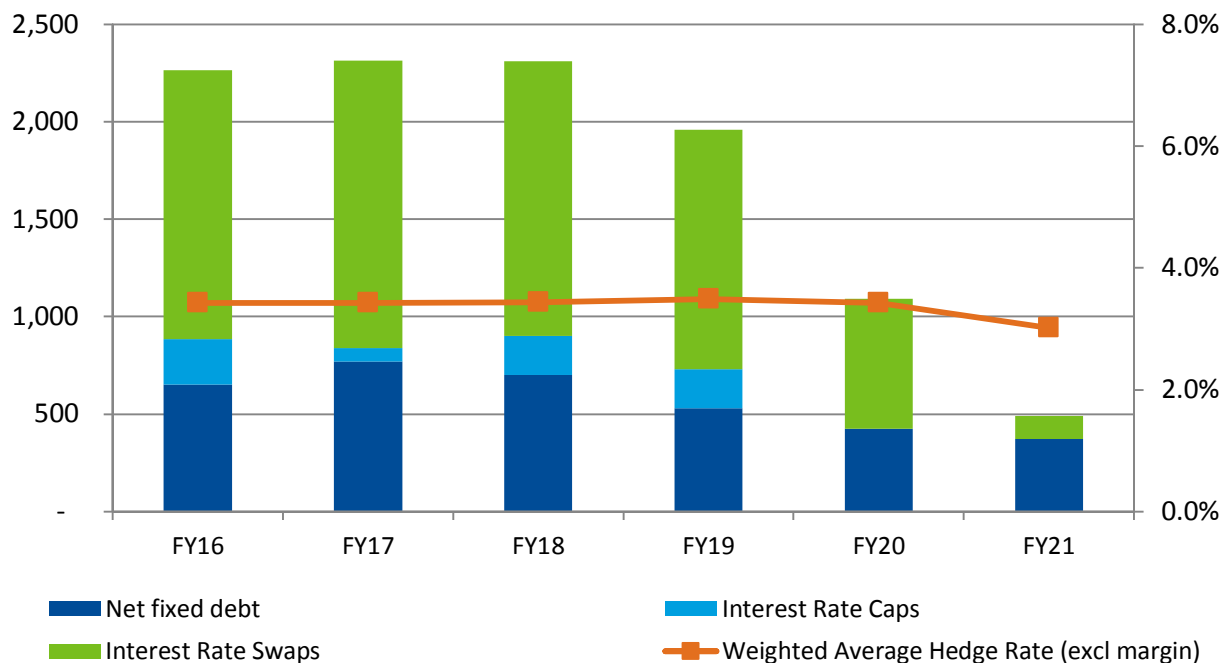


# DEXUS Property Group

## 2016 Performance Pack

### Sustained Value

#### INTEREST RATE HEDGING MATURITY PROFILE



#### INTEREST RATE HEDGING PROFILE

Interest rate hedging <sup>1</sup>	June 16	June 17	June 18	June 19	June 20	June 21
A\$ net fixed coupon debt <sup>2</sup>	653	769	701	530	423	371
A\$ interest rate caps	232	70	200	200	-	-
A\$ interest rate swaps	1,380	1,475	1,412	1,232	670	121
<b>Total hedged A\$m</b>	<b>2,264</b>	<b>2,314</b>	<b>2,312</b>	<b>1,962</b>	<b>1,093</b>	<b>492</b>
<b>Hedge rate (excluding margin)<sup>3</sup></b>	<b>3.43%</b>	<b>3.43%</b>	<b>3.44%</b>	<b>3.49%</b>	<b>3.42%</b>	<b>3.01%</b>

1. Average amount hedged for the period (excluding caps) was 64%. Average for the full year (including caps) was 71%. DEXUS was 70% hedged (including caps) as at 30 June 2016.
2. Gross fixed coupon less the amount converted to floating rate basis via coupon matched swaps.
3. Weighted average rate of fixed debt, swaps and caps for the period. Caps included at a rate equal to the lower of cap strike and forecast floating rate for the applicable period.

# DEXUS Property Group

## 2016 Performance Pack

### Sustained Value

#### DEBT FACILITIES<sup>1</sup>

	Facility limit A\$m	Drawn A\$m	Maturity dates	Currency
Bilateral bank debt	50.0	50.0	Jan 17	A\$
	250.0	228.0	Oct 17-Dec 17	A\$
	300.00	246.0	Jan 18-Mar18	A\$
	50.0	47.0	Aug 18	A\$
	300.0	300.0	Jan 19	A\$
	525.0	170.0	Nov 19-Jun 20	A\$
	280.0	265.0	Apr 21-May 21	A\$
	100.00	100.00	Aug 22	A\$
Commercial paper <sup>2</sup>	100.0	100.0	Sep 18	A\$
Medium term notes	210.0	210.0	Apr 17	A\$
	205.0	205.0	Sep 18	A\$
	50.0	50.0	Nov 22	A\$
	109.5	109.5	Nov 25	A\$
US senior notes (144A) <sup>3</sup>	304.9	304.9	Mar 21	US\$
US senior notes (USPP) <sup>3</sup>	39.2	39.2	Dec 16-Mar 17	US\$
	290.9	290.9	Jul 23-Jul 28	US\$
	225.0	225.0	Feb 24-Feb 27	US\$
	285.9	285.9	Dec 24-Dec 26	US\$
	100.0	100.0	Jun 28	A\$
<b>Subtotal</b>	<b>3,770.3</b>	<b>3,326.3</b>		
Currency translation and fair value adjustments	373.1	373.1		
Deferred borrowing costs	(12.6)	(12.6)		
<b>Total interest bearing liabilities</b>	<b>4,130.8</b>	<b>3,686.8</b>		
Bank guarantee utilised		32.1		
Cash		(18.1)		
<b>Headroom including cash</b>		<b>430.0</b>		

1. Debt facilities do not include Medium Term Notes included in an equity-accounted investment: A\$74.8m December 2019, A\$11.5m December 2022.
2. Maturity date of commercial paper standby facility.
3. 144A and USPP amount shown at the cross currency swap contract rate.

# DEXUS Property Group

## 2016 Performance Pack

### Future Enabled Customers

#### PREPARING OUR CUSTOMERS FOR THE FUTURE THROUGH ENABLING FLEXIBILITY, PRODUCTIVITY AND GROWTH

##### FY16 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY16 ACHIEVEMENTS
Expand DEXUS's online tenant portal to all of the Group's office properties, creating a virtual eco-system for networking and commerce	→	Expanded DEXUS's online tenant portal to 15 DEXUS managed office properties, creating a virtual eco-system for networking and commerce
Enhance annual collection of customer loyalty metrics including tenant satisfaction, net promotion, incentive, tenant growth and retention to enable DEXUS to better meet its customers' needs	→	Enhanced collection of customer loyalty metrics to enable DEXUS to better meet customers' needs through engaging providers to collect data and enhancing technology
Expand the state-of-the-art premium meeting, training and conference facilities, DEXUS Place, into two additional markets to empower customers to connect, collaborate and grow	→	Expanded the state-of-the-art premium meeting, training and conference offering, DEXUS Place, to Brisbane and Melbourne, empowering DEXUS's customers to connect, collaborate and grow
Digitally enable DEXUS-managed retail centres to better engage with their customers and access data analytics to assist in understanding customer behaviours	→	Identified technology that will digitally enable DEXUS's retail centres to better engage with their customers and access data analytics to assist in understanding customer behaviours

Refer to the [2016 DEXUS Annual Report](#).

##### DEXUS OCCUPANCY AND RETENTION

	FY12 %	FY13 %	FY14 %	FY15 %	FY16 %
<b>Occupancy by area</b>					
Office	97.1	94.4	94.3	95.5	96.3
Industrial	91.7	95.9	93.1	91.7	91.7
<b>Occupancy by income</b>					
Office	96.8	94.6	94.6	95.3	96.3
Industrial	92.8	96.1	93.0	92.4	90.4
<b>Retention</b>					
Office	66	72	61 <sup>1</sup>	61	62
Industrial	59	70	41	53	32

1. Excludes CPA properties.

# DEXUS Property Group

## 2016 Performance Pack

### Future Enabled Customers

#### TENANT SATISFACTION AND ENGAGEMENT

	FY12	FY13	FY14	FY15	FY16
Surveyed satisfaction <sup>1</sup>					
Office	7.6	7.8	8.0	8.0	8.1
Industrial	8.5	6.8	7.0	7.4	7.6
Retail	8.7	-	-	-	-
<b>Total (average)</b>	<b>8.2</b>	<b>7.5</b>	<b>7.7</b>	<b>7.9</b>	<b>8.0</b>
Target	-	8.0	8.0	8.0	8.0
Survey participation rate (%)					
Office	74%	27%	19%	33%	41%
Industrial	28%	21%	14%	25%	29%
Retail	43%	-	-	-	-
<b>Total (average)</b>	<b>48%</b>	<b>24%</b>	<b>18%</b>	<b>28%</b>	<b>37%</b>

1. Range between 1 and 10.

#### Commentary and methodology

DEXUS amended the tenant satisfaction survey methodology in FY13 to better identify opportunities in which it can improve tenant satisfaction. FY16 results are directly comparable to results from FY13 onwards.

The following enhancements were made to the tenant satisfaction survey in FY13:

1. Survey questions were refined in order to facilitate the collection of more relevant information
2. Scoring methodology and weighting was changed to utilise a combined portfolio average in order to derive a weighted performance score
3. A performance scale ranging from 1 to 10 for the overall results was adopted

The FY16 tenant satisfaction survey was conducted online with approximately 1,700 customers invited to respond. The overall satisfaction score improved from 7.9 to 8.0 across 628 respondents and 39% of respondents were classed as highly satisfied (rating a 9 or 10).

The service satisfaction among office customers improved by +0.1 to 8.1 out of 10, while it has improved by +0.2 to 7.6 among industrial customers. The overall Net Promoter Score (NPS) has also seen an improvement (+23 to +27).

#### GREEN LEASES

	FY13	FY14	FY15	FY16
Take-up of green leases within new lease agreements (%)				
Office	71	81	82	91
Industrial	49	58	45	57
Retail	93	93	98	95
<b>Total portfolio</b>	<b>75</b>	<b>87</b>	<b>77</b>	<b>88</b>

#### Commentary and methodology

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

The total portfolio take-up of new leases containing green lease clauses for FY16 was 88%, representing a 14% improvement against FY15. The retail portfolio has maintained its high rate of take-up of green leases by tenants achieving 95% take up, while the take-up of green leases across the office portfolio improved by 11% to achieve 91% take up.

# DEXUS Property Group

## 2016 Performance Pack

### Future Enabled Customers

---

#### TENANT SUSTAINABILITY AND AMENITY

DEXUS works closely with tenants and other stakeholders to improve tenants' sustainability performance and awareness as well as delivering new products and services to improve tenant amenity and wellbeing.

In FY16 this activity included:

- Collaboration with City Switch, a national tenant energy efficiency program, both as a signatory and a landlord to drive tenant activity in sustainability and energy efficiency
- Promotion of DEXUS's green building committees and other programs, including involvement in the 2016 Earth Hour campaign, NABERS Energy and NABERS Water ratings and sharing of information regarding general building sustainability performance and updates
- Expanded DEXUS Place, a state-of-the-art premium meeting, training and conference facility with the latest collaborative technology. Through DEXUS Place customers can conveniently connect in person and in virtual meeting rooms, saving time and avoiding the environmental impacts arising from travel to in-person meetings
- Partnered with GoGet and Divvy, to provide tenants and customers with an access to shared vehicles and an online car park booking system providing instant access to unused car parking spaces in DEXUS car parks. These social initiatives provide tenants and customers with flexible vehicle rental and parking options at preferred rates, and enables DEXUS to derive additional revenue by increasing car park utilisation

For further information on engaging and enabling tenants, refer to the DEXUS website at [www.dexus.com](http://www.dexus.com)

# DEXUS Property Group

## 2016 Performance Pack

### Thriving People

#### ENHANCING THE WELL-BEING OF OUR PEOPLE AND THOSE IN OUR PROPERTIES

##### FY16 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY16 ACHIEVEMENTS
Proactively manage workplace risks to ensure the safety and health of staff, customers and visitors	→	Achieved re-certification for Workplace Health & Safety and Environmental Management Systems and implemented a portfolio wide safety scorecard for developments that is monitored each quarter
Build an inclusive and diverse culture through leadership, learning and diversity programs	→	Enhanced our inclusive and diverse culture through launching Diversity & Inclusion and Flexibility programs, with our CEO also actively involved in the Property Male Champions of Change and PCA Diversity Initiatives programs
Invest in the capability of leaders and managers to create a high performance culture	→	Invested in the capability of leaders and managers through extensive coaching and development programs
Develop a comprehensive approach to improve the health and wellbeing of employees	→	Launched Wellbeing week program through the creation of five WELL communities focused on improving the health and wellbeing of DEXUS's employees
Support employees to enable a constructive, collaborative and supportive work environment through employee development programs, employee engagement initiatives, leadership development and culture building activities	☑	Implemented an employee engagement survey which reported 97% of employees who participated in the survey were proud to be associated with DEXUS
Improve DEXUS's employee value proposition to attract the right people to work, develop and retain at DEXUS	→	Enhanced DEXUS's employee value proposition to attract the right people to work and build careers at DEXUS through technology improvements and targeted campaigns

Refer to the [People and Culture section](#) of the 2016 DEXUS Annual Report.

#### DEXUS EMBRACES WELLBEING AND THE WELL BUILDING STANDARD

The WELL Building Standard is an evidence-based system for measuring, certifying and monitoring the performance of building features that impact the health and wellbeing of building occupants.

With increased focus on designing buildings to positively impact as physical and mental health, and productivity, tenants are now starting to evaluate their workspace needs in a new light.

Importantly, a WELL rating is dependent on many sustainable base building features and without the foundation of good, green design, meeting many of the comfort credits in WELL will be challenging.

DEXUS recognises that a truly sustainable building not only addresses environmental impact, but social and economic impact too. DEXUS has adopted the concept of wellbeing not only into its portfolio management activities, but for our employees as well.

DEXUS is assessing the base building design and construction features that a landlord can influence, including provision of healthy air, access to clean drinking water and daylight, and fitness facilities and activities.



# DEXUS Property Group

## 2016 Performance Pack

### Thriving People

Internally, DEXUS has established five “Wellbeing Communities” to research, decide and implement programs focused on:

- Diversity and Inclusion
- Mind Body and Nutrition
- Workplace and Social
- Professional Development
- Benefits and Recognition

DEXUS has a highly engaged workforce seeking empowerment. Referring to ‘communities’ rather than ‘committees’ is intentional and seeks to support staff to be self-directed and not driven by a top-down approach.

By incorporating wellbeing DEXUS seeks to drive better decisions, productivity, performance, and culture.

#### WORKFORCE STATISTICS

	FY12		FY13		FY14		FY15		FY16	
	M	F	M	F	M	F	M	F	M	F
<b>Total workforce (FTE)</b>										
Permanent full-time	115.5	107.8	111.0	88.0	135.0	107.8	148.4	124.2	175.0	172.3
Permanent part-time	1.5	16.5	0.8	16.0	0.8	18.3	0.0	23.9	0.7	26.2
Contractor	3.6	8.0	3.0	8.0	3.0	2.0	11.2	14.4	7.0	5.8
Casual	0.2	3.3	0.8	6.4	3.7	5.4	3.0	8.9	4.8	7.4
<b>Total workforce</b>	<b>120.8</b>	<b>135.6</b>	<b>115.6</b>	<b>118.4</b>	<b>142.5</b>	<b>133.5</b>	<b>162.6</b>	<b>171.4</b>	<b>187.5</b>	<b>211.7</b>
<b>Workforce by location</b>										
NSW	41%	36%	43%	38%	43%	32%	41%	37%	39%	40%
QLD	4%	8%	5%	10%	5%	10%	3%	7%	4%	6%
VIC	1%	5%	1%	3%	4%	6%	4%	7%	4%	7%
WA	0%	0%	0%	0%	0%	0%	1%	0%	1%	1%
California	1%	4%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Workforce by employment type</b>										
Permanent full-time	45%	42%	48%	38%	49%	39%	45%	37%	44%	43%
Permanent part-time	1%	6%	0%	7%	0%	7%	0%	7%	0%	7%
Contractor	1%	3%	1%	3%	1%	1%	3%	4%	2%	1%
Casual	1%	1%	0%	3%	1%	2%	1%	3%	1%	2%
No. of flexible work arrangements	11	25	6	25	7	26	9	52	9	43



# DEXUS Property Group

## 2016 Performance Pack

### Thriving People

Gender diversity in the workforce	FY12	FY13	FY14	FY15	FY16
<b>Total workforce by gender</b>					
Number of female employees	135.6	118.4	133.5	171.4	211.7
Number of male employees	120.8	115.6	142.5	162.6	187.5
<b>Total number of employees (FTEs)</b>	<b>256.4</b>	<b>234.0</b>	<b>276.0</b>	<b>334.0</b>	<b>399.2</b>
Percentage of women in workforce	53%	51%	48%	51%	53%
Percentage of men in workforce	47%	49%	52%	49%	47%
<b>Gender diversity in our senior leadership team</b>					
Number of females in Senior Management team	25.4	22.5	24.0	27.7	31.9
Number of males in Senior Management team	59.0	61.0	68.0	79.2	78.0
<b>Total number of employees in Senior Management team</b>	<b>84.4</b>	<b>83.5</b>	<b>92.0</b>	<b>106.9</b>	<b>109.9</b>
Percentage of females in Senior Management team	30%	27%	26%	26%	29%
Percentage of males in Senior Management team	70%	73%	74%	74%	71%
Percentage of female Non-Executive Directors	25%	25%	43%	43%	50%
Percentage of male Non-Executive Directors	75%	75%	57%	57%	50%

#### Commentary and methodology

'Senior Management team' includes executive management and senior management positions within the Group, specifically positions with a corporate title of Executive Director, Executive General Manager, Group General Manager, Regional General Manager, General Manager and Senior Manager.

'Non-Executive Directors' are Independent Directors of DXFM and does not include the CEO or Executive Director Finance & COO who are counted in the Senior Management team for the purposes of workforce reporting.

All relevant headcount data is taken from each year's headcount report as at 30 June 2016, produced by DEXUS People & Culture. Headcount data for the purpose of these statistics is based on Full Time Equivalent (FTE) employees, representing the active DEXUS workforce.

#### ENGAGEMENT AND LEAVE

	FY12	FY13	FY14	FY15	FY16
<b>Employee engagement rate</b>					
Survey participation rate	93%	88%	83% <sup>1</sup>	83% <sup>1</sup>	70%
Engagement rate	85%	78%	87% <sup>1</sup>	87% <sup>1</sup>	84%
<b>Leave days taken</b>					
Annual leave	4,826	3,839	4,351	4,696	5,594
Long service leave	51	16	81	98	133
Parental leave unpaid	2,496	1,614	721	1,396	789
Parental leave paid	690	466	234	355	383
Personal leave	895	725	818	1,135	1,194
Leave without pay	154	172	171	325	353
Other leave	379	547	491	521	732
<b>Absenteeism</b>					
Absentee Rate (sick days lost per FTE)	3.5	3.1	3.0	3.4	3.0

1. From FY14, DEXUS is conducting its Employee Opinion Surveys once every two years.

# DEXUS Property Group

## 2016 Performance Pack

### Thriving People

#### Commentary and methodology

Engagement information was sourced directly from the Employee Opinion Survey for the respective reporting year. Employee Opinion Surveys are managed externally by Towers Watson via an online, confidential survey.

In 2015 DEXUS expanded its engagement with employees to focus on understanding the DEXUS culture and conducted a Culture Survey. In future DEXUS will conduct Employee Opinion Surveys and Culture Surveys on alternate years.

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

- Annual leave: Annual leave only
- Long service leave: Long service leave only
- Parental leave unpaid: Parental leave unpaid only
- Parental leave paid: Primary and non-primary paid parental leave
- Personal leave: Sick leave, carers' leave and special bereavement or compassionate leave
- Leave without pay: Leave without pay only
- Other leave: Study leave, volunteer leave, jury duty and purchased leave

#### Definitions

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

$$AR = \frac{\text{number of Personal Leave days}}{\text{number of workers}}$$

#### WORK HEALTH & SAFETY, AND DISCRIMINATION

	FY12	FY13	FY14	FY15	FY16
<b>Employee WH&amp;S incidents</b>					
Workplace injuries (No lost-time injuries/diseases)	8	5	6	0	7
Lost-time injuries/diseases	-	-	-	1	3
Occupational diseases	-	-	-	-	-
Fatalities	-	-	-	-	-
Lost Time Injury Incidence Rate (LTIIR)	n/a	n/a	-	0.30	0.75
Lost Time Injury Frequency Rate (LTIFR)	n/a	n/a	-	1.64	4.12
Occupational disease rate (occurrences per million hours worked)	n/a	n/a	-	-	-
Lost day rate (days lost per million hours worked)	n/a	n/a	-	3.28	39.83
<b>Employee relations matters</b>					
Resolved by year end	5	1	3	2	6
Outstanding at year end	1	0	0	0	0

#### Commentary and methodology

Work health and safety (WH&S) incidents account for all recorded incidents pertaining to DEXUS employees and includes contractors employed directly by DEXUS. All reported incidents in FY16 related to personal injury.

In FY16, there were three OH&S incident reported by employees, with 29 days lost time from injury, resulting in a lost-time incidence rate (LTIIR) equal to 0.75 and lost-time injury frequency rate (LTIFR) equal to 4.12.

The system of rules applied in recording and reporting accident statistics include Australian Standard 1885.1 1990, Workplace injury and disease recording standard as well as definitions from the Global Reporting Initiative (GRI) G4 reporting standard relating to indicator G4-LA6.

# DEXUS Property Group

## 2016 Performance Pack

### Thriving People

#### Definitions

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

**Lost-time injuries/diseases** - Those occurrences that resulted in a fatality, permanent disability or time lost from work of one day/shift or more and is recorded via a WorkCover claim

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

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

**Lost Time Injury Incidence Rate (LTIIIR)** - The number of occurrences of injury/disease for each one hundred full time equivalent workers employed is calculated as follows:

$$LTIIIR = \frac{\text{number of lost time injuries/diseases}}{\text{number of workers}} \times 100$$

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

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

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

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

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

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

Where:

**Number of hours worked in the period** - Refers to the total scheduled number of hours worked by all DEXUS employees as recorded at 30 June of each year. DEXUS offers employees flexible work arrangements and staff are employed under individual contracts that stipulate 1,824 hours per annum (equal to 240 days x 7.6 hours) for each full-time employee. As DEXUS does not track employee working hours and staff do not engage in overtime or shift work, DEXUS has defined the 'number of hours worked' as 1824 hours per annum per full-time employee.

**Number of workers** - Is defined as the number of workers who worked in the reporting period as recorded at 30 June each year. Persons who were absent from work on paid or extended leave as recorded at 30 June each year are excluded from this calculation.

# DEXUS Property Group

## 2016 Performance Pack

### Thriving People

#### RETENTION & RECRUITMENT

	FY12		FY13		FY14		FY15		FY16	
	M	F	M	F	M	F	M	F	M	F
Total number of new hires	24	37	30	41	42	45	49	72	54	104
<b>12 month voluntary turnover rates</b>										
Executive management	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%
Senior management	4%	4%	8%	33%	11%	8%	6%	4%	8%	17%
Middle management	15%	4%	6%	14%	10%	5%	10%	8%	12%	14%
Professional/technical	31%	19%	15%	13%	4%	3%	18%	11%	15%	12%
Administration/operations	25%	20%	10%	15%	11%	22%	17%	15%	20%	14%
Total by gender	13%	12%	9%	15%	9%	11%	10%	10%	11%	14%
Total	12%		12%		10%		10%		12%	
<b>Return to work after parental leave</b>										
	-	15	-	6	-	5	-	8	-	5

#### Commentary and methodology

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

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

#### TRAINING AND DEVELOPMENT

Training hours by work category	FY12		FY13		FY14		FY15		FY16	
	M	F	M	F	M	F	M	F	M	F
Executive management	257	130	274	103	614	144	1,154	174	235	95
Senior management	2,378	459	918	248	2,553	740	3,119	1,362	1,558	822
Middle management	931	667	837	420	713	720	1,217	2,195	1,297	1,245
Professional/technical	933	1,689	478	634	543	750	907	1,431	824	1,921
Administration/operations	613	707	422	1,026	167	536	208	883	218	613
Total	5,112	4,151	2,929	2,431	4,590	2,890	6,604	6,045	4,132	4,696
Percentage of performance reviews performed	92%	93%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Hours of internal &amp; external training</b>										
Internal	3,402		2,966		1,354		4,261		4,577	
External	5,861		2,403		4,572		4,761		1,155	
Hours of compliance training	375		1,369		1,554		3,626		3,097	
<b>Average training hours by work category</b>										
Executive management	30		42		69		102		12	
Senior management	47		39		42		47		12	
Middle management	22		28		20		38		11	
Professional/technical	61		19		24		27		9	
Administration/operations	24		14		10		17		6	

# DEXUS Property Group

## 2016 Performance Pack

### Thriving People

#### Commentary and methodology

Training data is taken from the training database at the end of each reporting year. Data is categorised and consolidated to provide training hours completed for each category.

Data includes compliance training covering Human Rights issues as well as the [DEXUS Code of Conduct](#) which addresses victimisation, harassment and bullying.

#### REMUNERATION

Ratio of basic salary by employee category	FY12		FY13		FY14		FY15		FY16	
	M	F	M	F	M	F	M	F	M	F
Executive management	1.0	1.2	1.0	1.0	1.1	1.0	1.3	1.0	1.3	1.0
Senior management	1.0	1.1	1.0	1.0	1.1	1.0	1.1	1.0	1.2	1.0
Middle management	1.0	1.1	1.0	1.0	1.1	1.0	1.1	1.0	1.0	1.0
Professional/technical	1.0	1.1	1.0	1.0	1.2	1.0	1.1	1.0	1.2	1.0
Administration/operations	1.0	1.0	1.0	1.0	1.2	1.0	0.9	1.0	1.0	1.0
<b>Ratio of basic salary by location</b>										
NSW	1.6	1.0	1.6	1.0	1.6	1.0	1.6	1.0	1.7	1.0
QLD	1.5	1.0	1.6	1.0	1.8	1.0	1.6	1.0	1.6	1.0
VIC	1.7	1.0	2.8	1.0	1.6	1.0	2.0	1.0	1.7	1.0
WA	-	n/a	2.3	1.0	2.1	1.0	n/a	n/a	n/a	n/a
California	2.3	1.0	-	-	-	-	-	-	-	-

	FY12	FY13	FY14	FY15	FY16
Multiple of all employees' salaries to CEO salary	9.16	8.09	8.76	9.15	10.00
Multiple of all employees' salaries, excluding Group Management Committee members, to CEO salary	9.44	8.89	9.20	9.58	10.90
Multiple of all employees' salaries, excluding all Senior Management, to CEO salary	14.35	12.80	13.41	13.55	14.20

#### Commentary and methodology

Salary represents an employee's package including fixed cash and superannuation.

Category ratios are calculated by taking the average male salary and comparing it to the average female salary.

Location ratios are calculated by taking the average male salary and comparing it to the average female salary, where number of employees is 10 or more, according to the employee's physical work location.

CEO salary as a multiple of worker salary is calculated by taking the CEO's salary and dividing it by the Group's average salary excluding the CEO. The Group's average salary is then recalculated in the subsequent reporting item to exclude members of the Group Management Committee, and then recalculated again to exclude all senior management for the final reporting item.

For further information on DEXUS's employees refer to the [People and Culture section](#) in the 2016 DEXUS Annual Report or the DEXUS website as well as DEXUS's [People and Culture Disclosure of Management Approach](#) (DMA) which can be found on the DEXUS website at [www.dexus.com/crs](http://www.dexus.com/crs)

# DEXUS Property Group

## 2016 Performance Pack

### Leading Cities

#### PLAYING A LEADING ROLE IN SHAPING AUSTRALIA'S CITIES FOR COMPETITIVENESS AND AS DESIRABLE PLACES TO WORK AND LIVE

##### FY16 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY16 ACHIEVEMENTS
Build collaborative partnerships through advocacy with city councils, planners and industry groups	→	Collaborated with urban planning groups and forums such as the Committee for Sydney and local councils to achieve planning outcomes that create cities that are great places to work and live
Activate the ground floor plane of DEXUS's office properties, including the redevelopment of nine city retail areas, office lobbies and laneways over the next three years, improving the permeability and vibrancy of these precincts	→	Activated city ground floor areas, delivering five new office developments and three lobby refurbishments, improving the permeability and vibrancy of these precincts
Deliver more than 5,000 square metres of public space through the completion of DEXUS office developments in Sydney, Brisbane and Perth	→	Delivered more than 4,150sqm of public space in Brisbane and Perth with Jesse Street Garden at Gateway in Sydney nearing completion
Showcase the cultural heritage of the cities in which DEXUS operates through incorporating artworks and cultural programs in and around DEXUS's office properties	→	Showcased cultural programs in and around DEXUS properties, through advertising and participating in the art festival "Spectrum now" across multiple sites
Partner with like-minded businesses to maximise latent vacancies in DEXUS's car parks through adopting technological solutions and car sharing	☑	Partnered with Divvy and Go-get to minimise latent vacancies in DEXUS's car parks through adopting technological solutions and car sharing

Refer to the [2016 DEXUS Annual Report](#).

#### SUSTAINABILITY FEATURES ABOUND WITHIN 480 QUEEN STREET, BRISBANE

DEXUS/DWPF owned 480 Queen Street, Brisbane officially opened in June 2016, to set the new standard for premium buildings within the Brisbane CBD. Sustainability features at the heart of its design, delivering to building tenants and the broader community a flexible, inspiring workplace that activates the precinct and pays homage to the iconic history of its surrounds.

The tenants will enjoy a range of facilities within what is effectively a vertical village. 480 Queen Street includes a childcare centre, a boutique gym featuring an altitude training room, a pharmacy, a barber shop, a food gallery and end-of-trip facilities - 600 bike spaces, 500 lockers and 45 showers.

A giant, 350 square metre glass tile rainforest mural, by acclaimed Queensland-born artist Danie Mellor provides a striking backdrop to the journey up to Hobbs Park. The artwork, like the park itself, is attracting plenty of interest from passers-by.

Hobbs Park is overlooked by a 100-seat Amphitheatre for tenants' events and has its own café and bar, part of an eclectic mix of food offerings within 480 Queen.

The 1,400 square metre park aligns with the grounds of St John's Cathedral on the opposite side of Adelaide Street, preserving views from the cathedral to the river and creating stunning new views of both for visitors to 480 Queen Street.

The public open spaces, cycling facilities, and innovative construction methods all contribute to the building achieving a 6 Star Green Star (Office Design v3) environmental rating, which represents world leading practice.

# DEXUS Property Group

## 2016 Performance Pack

### Leading Cities

#### 5 MARTIN PLACE, SYDNEY RECOGNISED

5 Martin Place, Sydney was awarded the following awards at the 2016 NSW Architecture Awards: Commercial Architecture Award, Greenway Award for Heritage; Lloyd Rees Award for Urban Design.

5 Martin Place was awarded in the 'Adaptive Reuse' category in the 22nd Annual Heritage Awards National Trust 2016

These awards recognise 5 Martin Place as a successful major inner-city development that balances the demands of commercial, public and urban interests while contributing to the city landscape and heritage.

#### SPECTRUM NOW FESTIVAL

As part of the Spectrum Now Festival in Sydney DEXUS hosted In'habit a true study of 'art at work' in which uses photo booths in city office buildings to create portraits in collaboration with artists onsite and online. This event gave the opportunity for city workers to pop in during lunchtime and have a free photo with their workmates and friends, then watch as these photo booth images are used to create an original artwork on site 8-9 March.

It was all part of bringing a little bit of art, and the Spectrum Now Festival, to the work day and was held at 3 DEXUS properties: 1 Margaret Street Sydney, 383 Kent Street Sydney and 60 Miller Street, North Sydney

In'habit brings together three artists who use photographs as the starting point for their artworks. Each artist worked with photos, as captured moments of the real world, to explore and engage with both personal and collective notions of 'lived experience'.

- **Margaret Ackland:** worked with images from the newspaper and from images taken at photo booths in office foyers and transform them into watercolour paintings. In this series, Margaret placed each image together in a different space; literally and metaphorically put them on a different page. As part of In'habit, Ackland included images of people participating in the collaboration in her ongoing series The Watercolour News
- **Jo Meisner:** explored the dislocation we can experience being simultaneously present and absent, as new technologies have given us the means to do. Jo's series of work Alone and Together explored these themes and continues with the images developed through this project. Working with photographic images on transparencies, Jo's work recalls something of the old world of black and white negatives despite being the result of high tech digital production
- **Sue Murray:** used new digital drawing tools to mesh a new form of digital portraits. Sue's approach allows for the overlaying of fictional and real aspects of the sitter's personality and interests to be included in the picture. Showing something beyond the surface representation to interpret and expand these portraits to reveal a more multidimensional portrait. For the last decade Sue has worked with people to enable them to express themselves through photography.

#### DEXUS RETAINS LEADERSHIP STATUS IN 2016 UNPRI ASSESSMENT

DEXUS is a signatory to the United Nations Principles of Responsible Investment (UNPRI) and maintains its commitment to invest responsibly and raise awareness of responsible investment with its stakeholders.

In 2016, the UNPRI's assessed DEXUS's application of the principles, and awarded DEXUS an 'A+' perfect score for its strategy and governance and an A rating for its approach to responsible investment across its Direct Property portfolio.

# DEXUS Property Group

## 2016 Performance Pack

### Strong Communities

#### NURTURING WELL-CONNECTED, PROSPEROUS AND SUPPORTED COMMUNITIES IN AND AROUND OUR BUILDINGS

##### FY16 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY16 ACHIEVEMENTS
Introduce a coordinated approach to community related services across the DEXUS office platform through the development of a community engagement strategy and appointment of a new community manager role	→	Introduced a coordinated approach to community related services through the engagement of 38 community managers and concierges placed in our office properties nationally
Position DEXUS's sub-regional shopping centres as community champions through the formation of partnerships with local schools, encouraging loyalty from this market segment while also providing valuable educational resources to participating schools	☑	DEXUS's sub-regional shopping centres championed community engagement through partnering with local schools to support their fund raising and educational programs contributing over \$25,000
Improve the entertainment and leisure facilities at three DEXUS managed shopping centres to reaffirm their position as community hubs	→	Committed investment for entertainment and leisure projects which are currently underway at shopping centres in Tweed City and Gateway and in final planning stages at Smithfield
Implement procurement technology and annual surveys to enhance collaboration and knowledge exchange and create shared value with key suppliers	→	Conducted annual surveys with 43 suppliers and procurement reviews carried out to create shared value with key suppliers

Refer to the [People and Culture section](#) of the 2016 DEXUS Annual Report.



# DEXUS Property Group

## 2016 Performance Pack

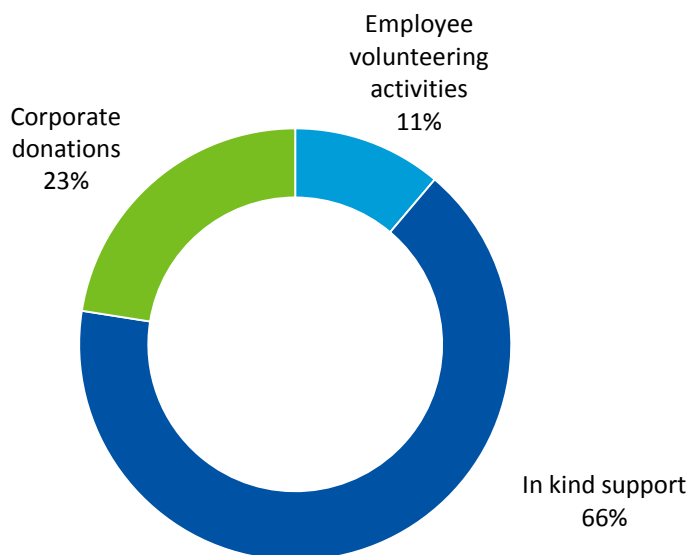
### Strong Communities

#### VOLUNTEERING AND DONATIONS

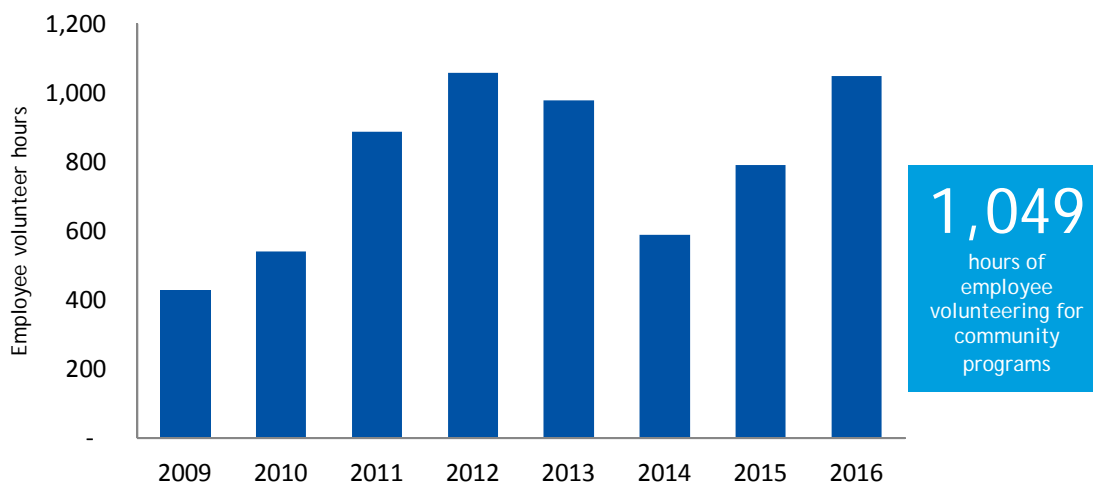
##### COMMUNITY DEVELOPMENT

Equivalent funds donated or raised	FY12	FY13	FY14	FY15	FY16
Corporate donations (\$)	174,122	123,366	139,344	241,053	180,842
Employee volunteering activities (\$)	72,424	80,623	50,044	65,806	89,779
In-kind support (\$)	623,909	573,777	470,055	712,295	532,646
<b>Total (\$)</b>	<b>870,455</b>	<b>777,765</b>	<b>659,444</b>	<b>1,019,154</b>	<b>803,268</b>
<b>Hours volunteered</b>					
Through DEXUS volunteering program (hours)	1,059	978	589	792	1,049

FY16 Community Engagement



Total Volunteering Hours



# DEXUS Property Group

## 2016 Performance Pack

### Strong Communities

#### Commentary and methodology

Each year our people have the opportunity to contribute to the community through the provision of one day's paid volunteering leave. DEXUS Diamond Week is a community partnership that raises funds for Sydney Children's Hospital Foundation and likeminded charities around Australia through awareness activities in the foyers of our offices.

DEXUS is proud to support the Foundation along with approximately 30 other charities around Australia, with 172 of our employees taking part in a volunteering event in FY16.

#### DONATIONS

In FY16 DEXUS raised a total of \$803,268 in community support through employee volunteering programs, in-kind support and DEXUS's corporate donations, including \$27,950 donated to the Sydney Children's Hospital Foundation.

Charitable donations comprise:

- Financial contributions to nominated charities
- Fundraising events
- Community sponsorships, advertising and promotions
- A dollar-for-dollar matching program
- The value of goods purchased for charity events and appeals

#### IN-KIND SUPPORT

In-kind support was provided to not-for-profit organisations or community groups to support their cause/fundraising activities and includes:

- The provision of goods or services
- The value of space provided in the building at no charge

Examples of community contributions include:

- Collaboration with Edge Environment and Better Buildings Partnership (BBP) to recover and re-purpose 8.5 tonnes of furniture to charitable organisations, enabling productive and creative workspaces with an estimated in-kind value of \$50,000 at Governor Macquarie Tower, 1 Farrer Place, Sydney
- Donating space at Plumpton Marketplace to local community groups including Lifeline Western Sydney and Rotary Club of Mount Druitt, which enabled them to promote their activities and conduct fundraising through activities such as charity gift wrapping
- Donating use of the car park at Willows Shopping Centre as a venue for the Townsville Rotary Club's weekly Sunday markets. The funds generated from hire to stall holders is donated to various community groups throughout the year
- Coordinating regular activities at Smithfield Shopping Centre to raise awareness and funds on behalf of local charities and community clubs including Legacy, the Cairns Surf Lifesaving Club, Young Animal Protections Society and the Far North Queensland Hospital Foundation

#### VOLUNTEERING

Employee volunteering activities include:

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

Volunteer hours are calculated as the total full time equivalent hours worked by employees in nominated community and charitable activities. In FY16 DEXUS volunteered a total of 1,049 hours, up from 792 hours in FY15.

# DEXUS Property Group

## 2016 Performance Pack

### Strong Communities

---

#### COMMUNITY ENGAGEMENT INITIATIVES

We embrace, connect, invest in and celebrate the communities in which our customers are located, aligning with our sustainability approach objective of 'strong communities'. During the year we supported the following not-for-profit charities through in-kind volunteering and monetary donations:

- Sydney Children's Hospital Foundation, which promotes the prevention and treatment of illness and injury in children
- The Station, a refuge in the Sydney CBD that provides a range of services for people who are having difficulty attaining and sustaining adequate and secure accommodation, improving their health, personal autonomy and dignity
- Chain Reaction, a corporate bike challenge that raises money for sick children by challenging executives who have a passion for cycling and an awareness of their corporate and social responsibilities, to ride a 1,000 plus kilometre course in 7 days
- Property Industry Foundation, which addresses the serious and persistent problem of youth homelessness by partnering with respected charities to build safe environments and support of charity managed initiatives focused on education, employment and wellbeing
- Dandelion Support Network, a charity run by volunteers which distributes donations of nursery items, clothes, toys and linen for babies and children to families in need, working with social workers at hospitals and welfare agencies

For further information refer to DEXUS's [Tenants and Customers Disclosure of Management Approach](#) (DMA) available on DEXUS's website.

# DEXUS Property Group

## 2016 Performance Pack

### Strong Communities

#### SUPPLY CHAIN MANAGEMENT

DEXUS adopts a long term approach to managing and maintaining supplier relationships through a robust set of business procedures which guide supplier screening, selection and engagement. A suite of policies, principles and performance standards underpin the ethical and supply chain approach.

For further information refer to DEXUS's [Supply Chain Disclosure of Management Approach](#) (DMA) available at on DEXUS's website.

#### PROCUREMENT

DEXUS's Sustainable Procurement Framework minimises any potential impacts from its upstream supply chain. Sustainable procurement is built into all supplier engagements through supplier adherence to DEXUS's Sustainable Procurement Policy and Supplier Code of Conduct as well as other DEXUS policies including DEXUS's Environment Statement, Human Rights and Work Health, Safety & Liability Policies.

DEXUS has created preferred panels of providers and rationalised its sub-contractor base across key disciplines to ensure market leading delivery and enhance compliance levels. The preferred builder panel that was initially launched in November 2013 was reviewed in FY16 via a detailed RFI process with adjustments made to reflect the changing requirements of the business. Additionally a preferred panel of key consultant services, both major and specialist was established.

In FY16 procurement achievements included:

- Progression of the security optimization project which aims to transform security services delivery to a national platform via innovatively implementing leading security and communications technologies across manned security properties. Scoping of the project was completed and a market based expression of interest process concluded with two preferred suppliers identified for further development of the project
- Renegotiation of 24 cleaning and waste services contracts to the NSW and VIC office portfolios. The new agreements leveraged the supplier partnership to capture current best practice, valued added services including waste scales and NABERS waste audits, and provide certainty of future costs
- Completing competitive tenders for the Premium grade development at 480 Queen St, Brisbane. Preferred suppliers were appointed across key categories of Security and Cleaning and resulted in DEXUS reducing future operating costs against forward budget by \$128,000 per annum
- Integration of partner toilet consumables supplier to the QLD office portfolio resulting in savings of \$147,000 per annum along with product standardization
- Rationalisation of Building Maintenance Units maintenance suppliers across the NSW and ACT portfolio via a competitive tender process, reducing suppliers from five to two. Additional benefits include the reduction of risk via implementation of consistent scopes, measurable KPI's and the adoption of DEXUS standard service contracts. A savings of \$18,500 per annum (9.6%) was also achieved
- Transition of Waterfront Place and Eagle Street Pier to DEXUS preferred suppliers platform
- Comprehensive review of the DEXUS minor services panels for Electrical, Hydraulic and Building Fabric services, resulting in further overall supplier rationalization for NSW and VIC, and the appointment of additional companies for QLD to address demand
- Completion of competitive tender for innovative specialist Concierge services across the Office portfolio in the delivery of this key DEXUS initiative

#### SUPPLIER SCREENING

DEXUS screens suppliers on their sustainability track record and management systems during the procurement process. DEXUS informally collects data from external sources to assist with validating suppliers' credentials with regard to impact on the environment, society and how it manages its staff. At present DEXUS does not apply formal criteria or screening tool to assist with this process.

In FY16 all new suppliers underwent informal screening as part of the standard procurement process.

# DEXUS Property Group

## 2016 Performance Pack

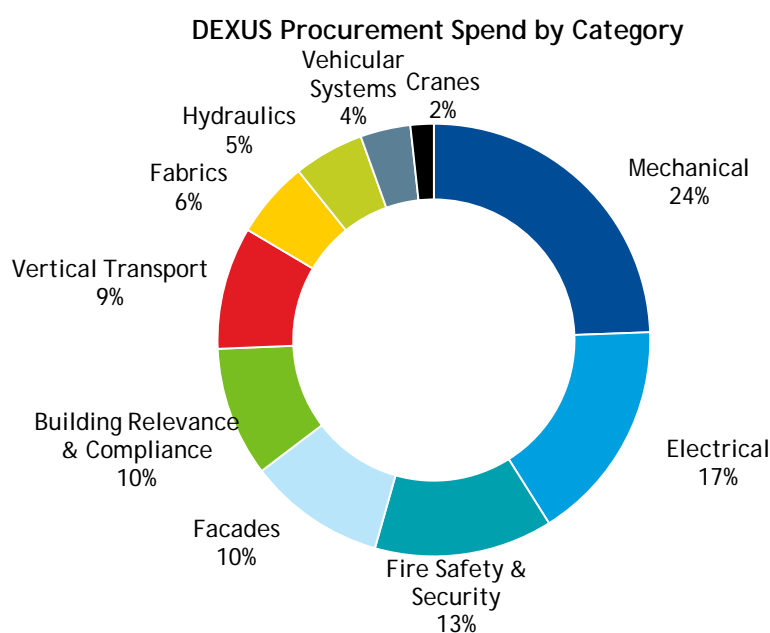
### Strong Communities

#### SUPPLIER RELATIONSHIPS

During FY16 DEXUS engaged external consultants to assist with the development of a procurement strategy which would align to the business strategy and support strategic outcomes with a focus on the procurement of property related capital expenditure.

The objective in developing a procurement strategy is to manage spend to mitigate supply chain risk in line with DEXUS Corporate Risk and Sustainability objectives, as well as provide a competitive advantage, meeting or exceeding commitments to capital partners. DEXUS also aims to build procurement capability to support the business in leveraging its buying power in the market and to build strategic relationships, improving outcomes and access to innovation and superior products.

Initial work involved DEXUS assessing existing and future maintenance capital expenditure requirements over a 20 year horizon and determining the likely spend categories. Over a 20 year period DEXUS has sizable annual expenditure and expects to spend maintenance capital across consistent spend categories as indicated in the chart below.



A series of current state workshops and interviews with over 25 DEXUS stakeholders were conducted by Deloitte Consulting to understand the procurement activities in each business function. The results of the findings revealed significant opportunities to improve DEXUS procurement capability and provide the basis of the procurement strategy approach.

In developing DEXUS procurement strategy aims to:

**1. Facilitate operational efficiency and standardisation:**

- Aggregate spend at the maximum level
- Use a category management structure
- Identify variations, so they are known and controlled
- Spend analysis and reporting
- Enhance systems and eSourcing solutions

**3. Improve organization simplicity:**

- Establish clear roles and responsibilities
- Centralise procurement capability

**2. Improve competitive advantage through supplier relationships:**

- Collaborate and strengthen strategic supplier relationships
- Manage performance of key suppliers
- Enforce Sustainable Procurement Policy and Supplier Code of Conduct
- Improve outcomes and access to innovation and superior products

**4. Reduce total procurement lifecycle costs:**

- Enforce procurement policies and procedures
- Improve standardisation
- Make commitments for forward requirements

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### OPTIMISING THE ENVIRONMENTAL PERFORMANCE AND RESILIENCE OF OUR BUILDINGS

##### FY16 PERFORMANCE AGAINST COMMITMENTS

☑ = Achieved, ☒ = Not achieved, → = Underway

COMMITMENT	STATUS	FY16 ACHIEVEMENTS
Deliver 1,000,000 square metres of office space rated at least 5 Star NABERS Energy rating and 1,000,000 square metres rated at least 4 star NABERS Water rating by 2020	→	Delivered 667,000sqm of office space with a 5 star NABERS Energy rating and 627,000sqm of office space with a 4 star NABERS Water rating
Reduce energy consumption and emissions across the Group by a further 10% by 2020 using the FY15 baseline including exploring opportunities for renewables	→	Completed energy modelling on all office properties to track performance against 2020 target of 10% reductions. In FY16 DEXUS achieved a 3.3% reduction in energy consumption and a 5.6% reduction in Scope 1 & 2 greenhouse gas emissions
Consistently demonstrate a resource recovery rate of 80% from de-fitting vacant space by 2020, actively identifying charities and markets for re-use, and increasing waste diversion from landfill	→	Completed a fit out of DEXUS's Melbourne office at 385 Bourke Street using re-purposed furniture in line the Better Building Partnerships procedures on minimising fit out waste going to landfill
Implement a 'Virtual Engineer' program by applying 24/7 computer analytics to 36 sites to predict and react to Heating Ventilation and Air Conditioning (HVAC) events in real time	→	Activated Virtual Engineer program with 36 sites incorporated into the central platform to predict and react to real time Heating, Ventilation and Air Conditioning functions
Review design briefs across all asset classes to develop an in-house suite of best practice sustainable development practices	→	Developed design briefs, which will be expanded to include wellness and smart building technology for best practice sustainable development works.

Refer to [Office](#), [Industrial](#) and [Funds Management](#) sections in the [2016 DEXUS Annual Report](#).

##### DEFINITIONS

**NABERS** - National Australian Built Environment Rating System

**GBCA** - Green Building Council of Australia

**Green Star** - An environmental rating tool for commercial design and construction, which evaluates a building's impact against eight environmental impact categories

**SIPs** - Strategic Improvement Plans

**DEXUS Property Group, the Group** - refers to the ASX listed entity and the Third Party Funds Management business

**DEXUS** - refers to the portfolio of properties in ASX listed entity only

**DWPF** - DEXUS Wholesale Property Fund

**Third Party Funds, Third Party Funds Management business or Funds Management** - refers to the Third Party Funds Management business including the Australian mandate, three capital partnerships and DWPF.

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### ENVIRONMENTAL SUMMARY - DEXUS PROPERTY GROUP

Metric	FY08 <sup>1</sup>	FY12	FY13	FY14	FY15	FY16
<b>Greenhouse gas emissions (tCO<sub>2</sub>-e) - Property portfolio &amp; corporate tenancies</b>						
Scope 1	6,226	7,882	9,267	11,007	15,883	17,043
Scope 2	151,951	112,803	103,931	117,455	137,767	134,895
<b>Subtotal Scope 1 &amp; 2</b>	<b>158,177</b>	<b>120,685</b>	<b>113,198</b>	<b>128,462</b>	<b>153,650</b>	<b>151,938</b>
Scope 3	26,304	26,251	24,662	29,760	30,195	30,045
<b>Subtotal Scopes 1,2 &amp; 3</b>	<b>184,481</b>	<b>146,936</b>	<b>137,859</b>	<b>158,222</b>	<b>183,844</b>	<b>181,984</b>
<b>Greenhouse gas emissions (tCO<sub>2</sub>-e) - Additional scope 3 emissions from corporate operations</b>						
Scope 3	-	1,635	1,292	1,361	1,452	1,906
<b>Greenhouse gas emissions (tCO<sub>2</sub>-e) - DEXUS Property Group total emissions</b>						
<b>Total Scopes 1,2 &amp; 3</b>	<b>184,481</b>	<b>148,572</b>	<b>139,151</b>	<b>159,583</b>	<b>185,297</b>	<b>183,890</b>
<b>Energy and water consumption</b>						
Total net energy consumption (GJ)	735,723	540,752	519,775	595,172	729,951	735,028
Water consumption (kL)	1,499,044	1,216,191	1,223,170	1,443,950	1,702,334	1,760,828
<b>Waste and recycling</b>						
Waste to Landfill (tonnes)	-	4,828	4,475	6,441	8,178	7,860
Recycling (tonnes)	-	3,781	4,209	6,278	7,583	6,980
<b>Total Waste (tonnes)</b>	<b>-</b>	<b>8,609</b>	<b>8,684</b>	<b>12,720</b>	<b>15,761</b>	<b>14,840</b>
Waste data coverage across portfolio <sup>2</sup>	-	75%	78%	88%	92%	87%

1. FY08 represents the Group's base year.

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

Since FY15, the Group's energy consumption has increased by 0.7% and water consumption is up by 3.1%. Scope 1 and 2 emissions have decreased by 1.1%.

From an intensity basis, energy intensity has reduced by 1.5% and water consumption intensity has increased by 0.8%, while emissions intensity has reduced by 3.3%.

Key FY16 environmental performance results for the Group include:

- Achieving a 3.3% reduction in net energy consumption against the FY15 like-for-like baseline, putting DEXUS on track to achieve its FY20 target to reduce energy use by 10% across the Group. This corresponds to a 5.6% reduction in Scope 1 & 2 greenhouse gas emissions
- Completing Level 1 Energy Audits for 19 Retail and 61 Office properties, to benchmark properties against their peers and to identify further energy and water efficiency opportunities that may contribute towards DEXUS's FY20 energy and emissions reduction targets
- Continued to implement strategies to improve waste data capture. During the year DEXUS collaborated with its cleaning services contractors to install weight scales in the majority of office properties enabling DEXUS to directly measure waste and recycling by weight. This has improved the accuracy and confidence in DEXUS waste figures, however it has adversely impacted DEXUS progress towards its 65% waste diversion target. For FY16 DEXUS achieved a diversion rate of 61% across the Group's like-for-like office portfolio
- Achieving a 4.8 star NABERS Energy rating across the Group's office portfolio, improving by 0.1 stars against FY15. The Group's office portfolio now includes 14 properties with 5.5 star NABERS Energy ratings representing 28% of total rated area. A further 19 properties achieved 5.0 stars NABERS Energy ratings and the Group's office portfolio now has 33 properties representing 65% of rated area that have achieved a NABERS Energy rating of 5.0 stars or higher

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

- Achieving 67% progress as at June 2016 against DEXUS's FY20 target to deliver 1,000,000 sqm of 5 star NABERS Energy rated office property
- Achieving 63% progress as at June 2016 against DEXUS's FY20 target to deliver 1,000,000 sqm of 4 star NABERS Water rated office property

In the following sections, data is presented for the Group portfolios and like-for-like portfolios to enable comparison of the pre-existing portfolio as well as the overall Group trends including acquisitions.

#### GROUP OFFICE PORTFOLIO - CONSUMPTION/EMISSIONS ON AN INTENSITY BASIS

Intensity metric	FY08 <sup>1</sup>	FY12 <sup>1</sup>	FY13	FY14	FY15	FY16	Base year <sup>1</sup> to FY16	12 month change
<b>Group Office portfolio</b>								
Energy consumption (MJ/sqm)	595.2	405.7	400.2	383.9	368.4	353.7	-40.6%	-4.0%
Water consumption (L/sqm)	889.5	647.7	662.9	676.7	650.5	671.0	-24.6%	3.1%
Scope 1 & 2 Greenhouse gas emissions (kgCO <sub>2</sub> -e/sqm)	130.4	93.1	88.4	84.3	79.2	75.0	-42.5%	-5.3%
Waste diversion from landfill (%)	-	51%	57%	60%	57%	53%	4.2%	-5.6%
<b>Group Retail portfolio</b>								
Energy consumption (MJ/sqm)	491.5	498.0	502.2	490.9	485.5	530.2	7.9%	9.2%
Water consumption (L/sqm)	1,273.6	1,229.9	1,338.8	1,341.5	1,245.1	1,321.4	3.8%	6.1%
Scope 1 & 2 Greenhouse gas emissions (kgCO <sub>2</sub> -e/sqm)	94.0	97.7	100.3	95.8	92.8	97.9	4.2%	5.6%
Waste diversion from landfill (%)	-	30%	31%	29%	32%	33%	10.3%	2.1%
<b>Group Industrial portfolio</b>								
Energy consumption (MJ/sqm)	33.4	25.1	22.2	21.3	19.1	13.7	-59.2%	-28.6%
Water consumption (L/sqm)	311.7	262.6	276.1	293.8	291.6	275.9	-11.5%	-5.4%
Scope 1 & 2 Greenhouse gas emissions (kgCO <sub>2</sub> -e/sqm)	8.4	6.3	5.4	5.1	4.4	2.9	-64.7%	-33.5%

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

#### Commentary

Continued active management of the Group's office portfolio has contributed to ongoing reductions in resource consumption and greenhouse gas emissions. Key highlights for FY16 include:

- Reducing energy intensity by 4.0% over the last 12 months and by 40.6% since FY08
- Reducing greenhouse gas emissions intensity by 5.3% since FY15 and by 42.5% since FY08

DEXUS continued to focus on operational performance to improve energy efficiency. This included the deployment of advanced analytics to identify further opportunities for reducing energy use while improving tenant conditions. Across the Group, energy intensity improved by 4.0% against FY15

Water intensity increased by 3.1% however the portfolio average of 0.67kL/sqm exceeds the Sydney-based Better Buildings Partnership (BBP) current 2030 target of 0.7kL/sqm. DEXUS continues to valuate sites to achieve sustained water reductions.

Changes in intensity across industrial are impacted by the divestment of several resource intensive properties.

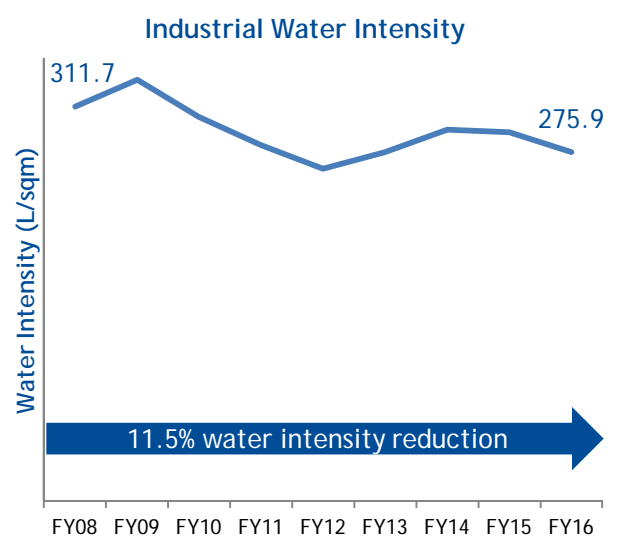
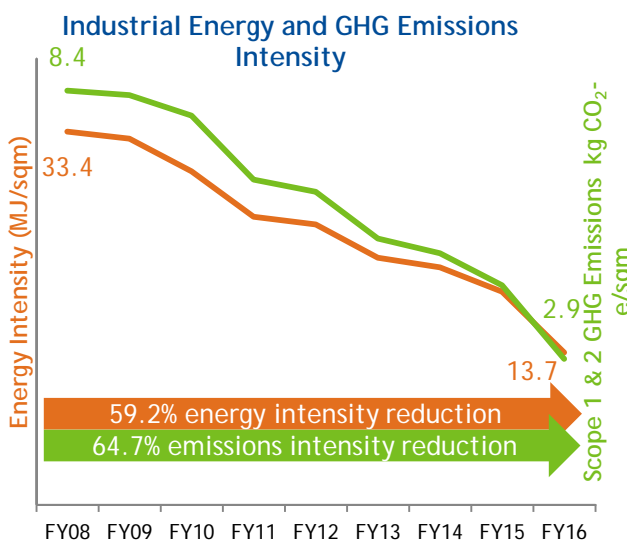
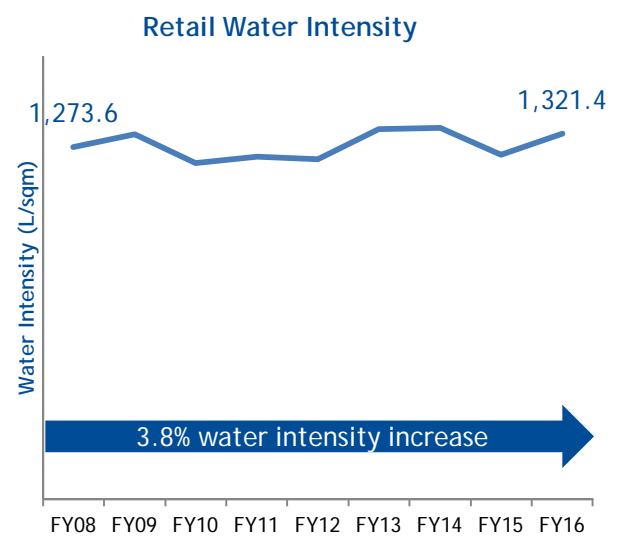
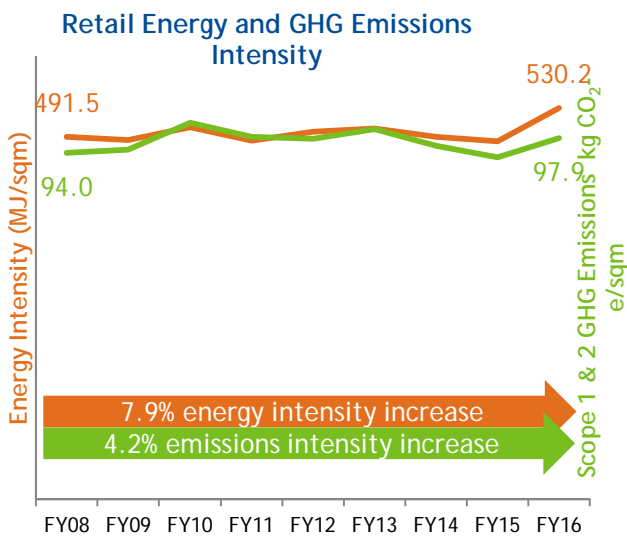
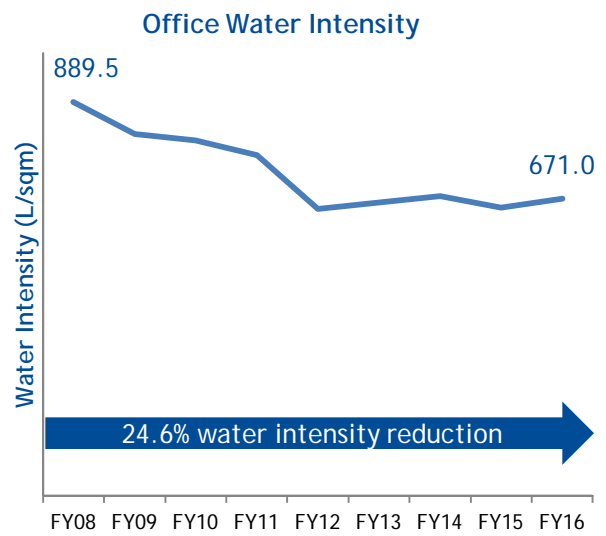
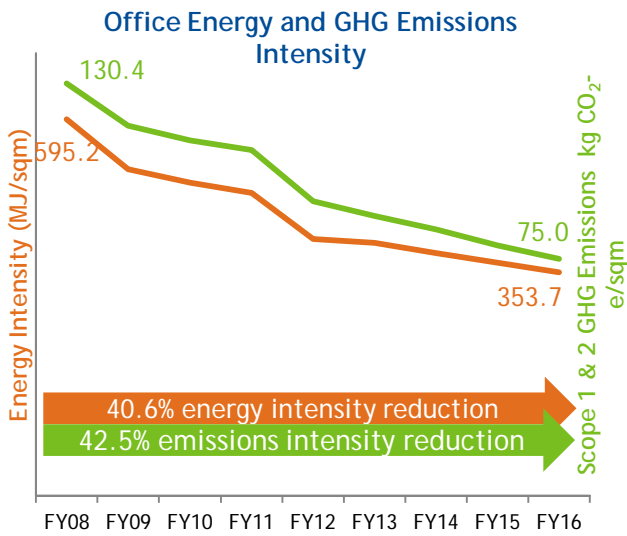


# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

The following charts highlight by asset class the Group portfolio's nine year performance trends on an intensity basis:



# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### NABERS RATINGS - OFFICE PORTFOLIO

	Like-for-like basis					Absolute basis <sup>1</sup>		
	FY10	FY11	FY12	FY13	FY14	FY14	FY15	FY16
<b>NABERS Energy average (by area) (inc GreenPower)<sup>2</sup></b>								
DEXUS	3.2	3.6	3.9	4.7	4.8	4.6	4.7	4.8
DEXUS Office Partnership	-	-	-	-	-	-	4.8	4.8
Third Party Funds Management	3.3	3.9	4.0	4.1	4.5	4.5	4.7	4.8
DWPF	2.6	3.3	3.9	3.8	4.1	4.2	4.5	4.6
<b>DEXUS Property Group</b>	<b>3.3</b>	<b>3.7</b>	<b>3.9</b>	<b>4.5</b>	<b>4.7</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>
<b>NABERS Energy average (by area) (ex GreenPower)<sup>2</sup></b>								
DEXUS	2.8	3.0	3.5	4.2	4.3	4.4	4.4	4.5
DEXUS Office Partnership	-	-	-	-	-	-	4.7	4.7
Third Party Funds Management	2.8	3.3	3.7	3.7	4.1	4.2	4.4	4.4
DWPF	2.0	2.9	3.6	3.4	3.7	4.0	4.1	4.2
<b>DEXUS Property Group</b>	<b>2.8</b>	<b>3.1</b>	<b>3.5</b>	<b>4.0</b>	<b>4.3</b>	<b>4.3</b>	<b>4.4</b>	<b>4.5</b>
<b>NABERS Water average (by area)<sup>2</sup></b>								
DEXUS	2.6	3.1	3.3	3.5	3.5	3.5	3.8	3.7
DEXUS Office Partnership	-	-	-	-	-	-	3.9	3.9
Third Party Funds Management	2.5	2.7	3.0	3.2	3.1	3.3	3.6	3.6
DWPF	2.0	1.9	3.0	3.0	2.6	3.0	3.2	3.3
<b>DEXUS Property Group</b>	<b>2.4</b>	<b>3.0</b>	<b>3.2</b>	<b>3.4</b>	<b>3.4</b>	<b>3.5</b>	<b>3.7</b>	<b>3.7</b>

1. DEXUS commenced reporting its NABERS portfolio on an absolute basis to incorporate all acquisitions including assets from the CPA transaction from FY14.

2. At 30 June each year.

#### Energy Commentary

On an absolute (or whole portfolio) basis, the average Group office NABERS Energy rating as at 30 June 2016 was 4.8 stars with GreenPower, an incremental improvement of 0.1 stars against FY15. The Group's office NABERS Energy rating without GreenPower also improved by 0.1 stars to achieve 4.5 stars.

Highlights for the year include:

- 56 Pitt Street Sydney, 11 Talavera Road Macquarie Park and 44 Market Street Sydney have improved their NABERS ratings without GreenPower from 4.5 to 5 stars
- 150 George Street, Parramatta has increased the NABERS rating from 5 to 5.5 stars without GreenPower
- 39 Martin Place, Sydney continued to improve performance achieving a 4 star NABERS Energy rating, an improvement of 1.5 star from 2.5 stars from acquisition, assisted by a building-wide lighting retrofit program and ongoing focus on maximising the efficient operation of the mechanical plant

DWPF's weighted average NABERS Energy rating is 4.6 stars; an improvement of 0.1 stars from FY15. The uplift is due to continued improvements at 39 Martin Place Sydney and 12 Creek Street, Brisbane, as well as the acquisition with DEXUS of Waterfront Place - 1 Eagle Street Brisbane, which has a 5.0 star NABERS Energy rating.

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

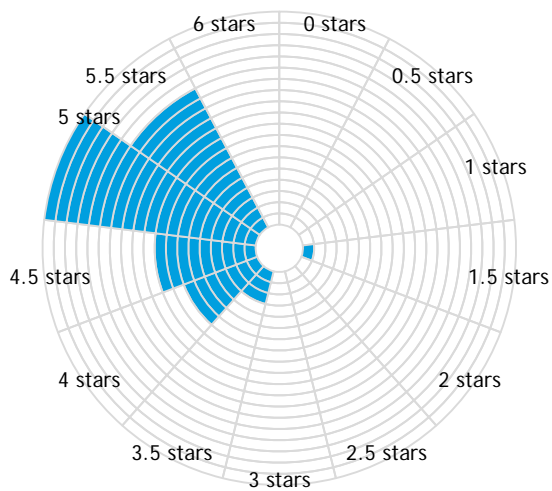
#### Water Commentary

On an absolute or whole portfolio basis, the average Group office NABERS Water rating as at 30 June 2016 was 3.7 stars, remaining unchanged from FY15.

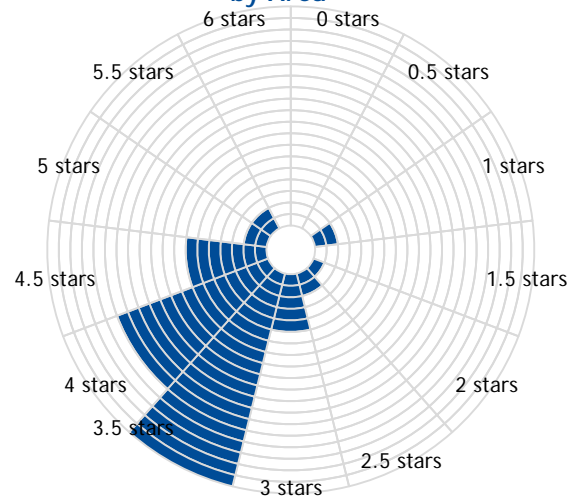
A number of properties achieved improvements of 0.5 or 1 stars including:

- Finley Crisp, Nara House, Canberra
- Southgate Complex, IBM Tower
- 39 Martin Place, Sydney
- 60 Castlereagh Street, Sydney
- One Margaret Street, Sydney
- 385 Bourke Street, Melbourne

Group Office: NABERS Energy Ratings  
by Area



Group Office: NABERS Water Ratings  
by Area



# DEXUS Property Group

## 2016 Performance Pack Enriched Environment

### NABERS RATINGS - RETAIL PORTFOLIO

	FY10	FY11	FY12	FY13	FY14	FY15	FY16
<b>NABERS Energy average (by area)<sup>1</sup></b>							
Third Party Funds Management	n/a	3.1	3.9	3.9	3.7	3.9	3.6
DWPF	n/a	2.0	2.5	2.5	3.5	3.9	3.4
<b>NABERS Water average (by area)<sup>1</sup></b>							
Third Party Funds Management	n/a	3.2	3.7	4.4	4.1	4.1	4.1
DWPF	n/a	3.5	4.0	4.0	4.2	4.1	4.2

1. At 30 June each year.

#### Commentary

The retail portfolio continues its ongoing commitment to energy and water reduction targets through the NABERS rating tool and is seeking further reductions in energy and water usage via optimised operations following recent upgrade works.

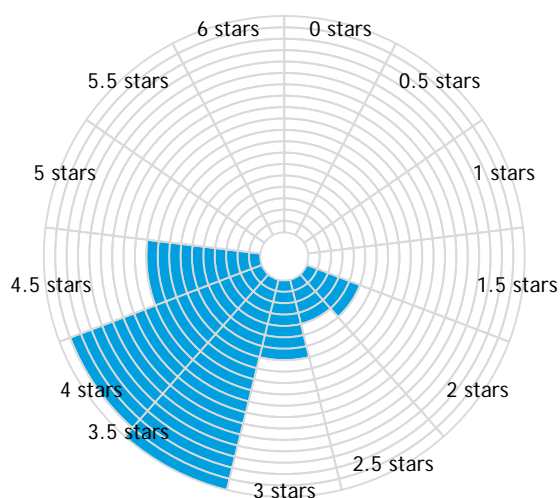
The continued focus on sustainability within the retail environment includes a holistic view of what the “future state” of each Centre can be through master-planning, with consideration of mechanical and electrical upgrades positively impacting future ratings.

This approach has already shown results at one of the major refurbishments, Willows Shopping Centre Townsville, resulting in a redesign for both the centre and the major tenant’s air conditioning systems. The change will deliver greater efficiencies in the short and longer terms and has been delivered within the original budget allowances.

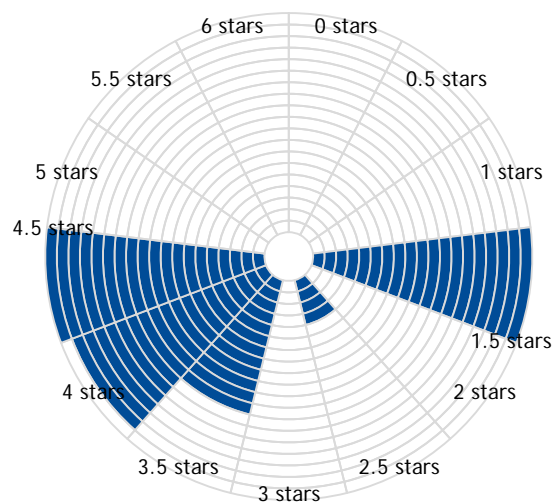
NABERS performance results for FY16 include:

- QV Melbourne has improved its rating by 0.5 to 2.5 star NABERS Energy rating
- Beenleigh Marketplace has improved its rating by 0.5 to 3.0 star NABERS Energy rating and achieved a 4.5 stars NABERS Water ratings
- Plumpton Marketplace has improved its rating by 0.5 to 2.5 star NABERS Energy rating
- Sturt Mall achieved a 4 star NABERS Energy rating and 4 star NABERS Water rating
- Smithfield Centre retained its 3.5 star NABERS Energy rating and achieved a NABERS Water rating of 4.5 stars

Retail: NABERS Energy Ratings by Area



Retail: NABERS Water Ratings by Area



# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### PROGRESS AGAINST GROUP COMMITMENTS

##### Milestone: Group's FY16 65% waste diversion commitment

In FY14, DEXUS committed target 65% diversion from landfill for the Group's office portfolio by the end of the three year program in FY16. DEXUS achieved a 61% diversion rate by 30 June 2016.

The table below reports on performance against the three year target, which is reported in absolute terms on a like-for-like basis against the FY12 baseline.

Waste and recycling	FY12	FY13	FY14	FY15	FY16
Waste to landfill (tonnes)	2,411	2,107	1,909	1,941	1,886
Recycling (tonnes)	2,726	2,991	3,692	3,270	2,930
Diversion from landfill (%)	53%	59%	66%	63%	61%

##### Progress: Group's FY20 5 star NABERS Commitment

In FY15, DEXUS committed to deliver by 2020:

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

The table below reports on performance against the three year target, which is reported in absolute terms on a like-for-like basis against the FY12 baseline.

NABERS metrics	FY15	FY16	12 month change
Rated at 5 star NABERS energy or higher	532,677	667,776	135,099
Progress against NABERS energy target (%)	53%	67%	14%
Rated at 4 star NABERS water or higher	681,102	627,343	-53,759
Progress against NABERS water target (%)	68%	63%	-5%

##### Progress: Group's FY20 10% energy reduction Commitment

In FY15, DEXUS committed to reduce energy consumption and emissions across the Group by a further 10% by 2020 using the FY15 baseline including exploring opportunities for renewables.

As at June 2016 like-for-like energy consumption has reduced by 3.3% due to a combination of energy efficiency opportunities as well as vacancies at selected properties. Emissions reduced by 5.6% against the baseline year.

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

Metric	FY15	FY16	12 month change
Energy consumption (GJ)	505,925	489,337	-3.3%
Scope 1 and 2 greenhouse gas emissions (t. CO <sub>2</sub> -e)	107,357	101,304	-5.6%

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### VOLUNTARY GREENHOUSE GAS ABATEMENT - CORPORATE OPERATIONS

##### Commentary

DEXUS is a signatory to Australia's Carbon Neutral Program which is administered by the federal Department of the Environment. Each year the Group develops an emissions inventory in line with the program's National Carbon Offset Standard (NCOS) across its Corporate Operations.

DEXUS was the first real estate investment trust in Australia to achieve a carbon neutral certification for its head office, which it has maintained since 2011. Over the last five years, DEXUS has expanded its reporting boundary across its entire Corporate Operations, including:

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

The Group has offset:

- direct emissions from refrigeration and electricity usage
- indirect tenancy-related emissions including waste to landfill, office paper use and stationary, water/wastewater use, telecommunications, IT equipment and data warehousing, and catering
- indirect employee-related emissions including corporate air travel, car mileage claimed for national employees, taxi travel, hire cars and employee commuting



Metric	FY11	FY12	FY13 <sup>1</sup>	FY14 <sup>2</sup>	FY15 <sup>3</sup>	FY16
<b>Greenhouse gas emissions (tCO<sub>2</sub>-e)</b>						
Scope 1	2	2	2	1	1	1
Scope 2	403	332	270	233	284	248
Scope 3 comprising the following:	1,841	1,970	1,685	1,762	2,330	2,312
– tenancies and base building energy/refrigerants	604	587	444	348	431	390
– office paper use and waste	35	10	221	58	25	24
– corporate travel	1,202	1,373	1,021	1,009	1,040	927
– employee commuting	n/a	n/a	n/a	347	420	501
– IT, catering, accommodation, water use	n/a	n/a	n/a	n/a	414	471
Avoided emissions from renewable energy purchased by DEXUS	-81	-66	-28	0	-16	0
<b>Total emissions (scopes 1, 2 &amp; 3)</b>	<b>2,165</b>	<b>2,238</b>	<b>1,929</b>	<b>1,995</b>	<b>2,599</b>	<b>2,561</b>
<b>Voluntary carbon abatement (tCO<sub>2</sub>-e)</b>						
Carbon offsets purchased and retired by DEXUS Property Group	2,200	2,300	2,000	2,200	2,700	2,700

1. 2013: Boundary expanded to include Melbourne Office.

2. 2014: Employee commuting included.

3. 2015: Boundary expanded to include Brisbane Office and additional scope 3 sources.

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### VOLUNTARY GREENHOUSE GAS ABATEMENT - PROPERTY PORTFOLIO

DEXUS continues its focus on reducing its carbon footprint with investments in renewable and low-carbon technologies and through the purchase of accredited, emission-free GreenPower. In FY16, the Group generated 91MWh of electricity from solar photovoltaic (PV) and 2,008 MWh from gas-powered cogeneration plants. The Group also sourced 5,750 MWh of its purchased electricity from GreenPower.

From these activities the Group estimates that it has abated 5,424 tonnes of greenhouse gas emissions, which represents 2.9% of its total Scope 1, 2 and 3 emissions.

#### ELECTRICITY FROM RENEWABLE AND LOW CARBON SOURCES (MWh)

Energy consumption (MWh)	FY11	FY12	FY13	FY14	FY15	FY16
Volume of GreenPower procured/committed	13,000	13,000	13,000	12,125	11,688	5,750
Electricity generated from solar energy	0	13	76	115	106	91
Electricity generated from cogeneration	0	506	1,110	1,434	2,027	2,008
<b>Electricity from renewable &amp; low carbon sources (MWh)</b>	<b>13,000</b>	<b>13,519</b>	<b>14,187</b>	<b>13,674</b>	<b>13,822</b>	<b>7,850</b>
Greenhouse gas abatement from renewable sources (t.CO <sub>2</sub> -e)	FY11	FY12	FY13	FY14	FY15	FY16
GreenPower purchases (Scope 2 only)	-	12,109	12,098	11,281	10,758	5,223
Electricity from solar energy (Scope 2 & 3)	-	14	82	122	105	88
Greenhouse gas abatement from low carbon sources (t.CO <sub>2</sub> -e)	FY11	FY12	FY13	FY14	FY15	FY16
<i>Avoided grid-purchased electricity emissions (Scope 2 &amp; 3)</i>	-	516	1,110	1,377	1,905	1,847
<i>Natural gas emissions for generation (Scope 2 &amp; 3)</i>	-	-312	-1,249	-1,473	-1,870	-1,734
<b>Net abatement (Scope 2 &amp; 3)</b>	<b>-</b>	<b>204</b>	<b>-138</b>	<b>-96</b>	<b>35</b>	<b>114</b>
<b>Greenhouse gas abatement from use of electricity from renewable &amp; low carbon sources (t.CO<sub>2</sub>-e)</b>	<b>-</b>	<b>12,328</b>	<b>12,041</b>	<b>11,307</b>	<b>10,899</b>	<b>5,424</b>
% of Group emissions that have been abated	-	7.7%	8.0%	6.6%	5.6%	2.9%

#### STRATEGIC IMPROVEMENT PLANS

Cumulative number of SIPs developed	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Office and Industrial	19	30	27	32	33	36	61
Retail	n/a	5	5	5	5	5	12
Cumulative number of SIPs implemented							
Office and Industrial	0	6	17	20	21	25	25
Retail	n/a	n/a	n/a	n/a	3	4	4

#### Commentary

In FY16 DEXUS continued to identify and implement opportunities to improve energy and water consumption, successfully completing four Strategic Improvement Plans (SIPs) and developing a further three.

In November DEXUS held a one-day energy and water efficiency opportunities workshop involving facility management teams and mechanical contractors to review office properties for sustainability projects likely to be implemented over the next five years. The team reviewed each asset's current performance and upcoming energy/water efficiency-related CAPEX projects including lifecycle replacements, other at-risk mechanical plant, as well as building analytics.

In July 2016 DEXUS and CBRE completed Level 1 Energy Audits incorporating the findings from the opportunities workshops to assist DEXUS with understanding its pathway towards its FY20 NABERS portfolio rating and energy/emissions reduction targets

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### ENERGY EFFICIENCY UPGRADES IMPROVE PERFORMANCE AT BLUE TOWER - 12 CREEK STREET BRISBANE

Blue Tower - 12 Creek Street was purchased by DEXUS and DWPF in October 2012 with an existing NABERS Energy rating of 2.5 stars. DEXUS immediately identified sustainability initiatives to improve energy efficiency and developed a Strategic Improvement Plan to lift the NABERS rating to target 4.5 stars.

The four year improvement plan involves:

- Replacement of Variable Air Volume (VAV) units - a 4 year \$2.5M VAV replacement program including the replacement of pneumatic controls with accurate digital controls
- Building Management Control System (BMCS) Improvements - to significantly improve the way the building is operated, reduce response time and enable better tenant comfort to be delivered
- Sub-metering and monitoring system - to enable monitoring and exception reporting and benchmarking across the broader portfolio

DEXUS embarked on a 24-month implementation program involving "back of house" works to minimise impact on tenants. Intrusive works to replace the VAVs were scheduled around floor vacancies with DEXUS successfully upgrading Levels 3-4, 8-13, 18 and Part Level 21, and 22-23, which have resulted in immediate improvements to tenant comfort with reduced energy consumption.

The central cooling plant had already been upgraded with high efficiency chillers that will be optimised through improvements to the control strategy and sequencing. Works to improve the BMCS will maximise the effectiveness of the new VAV boxes with dynamic controls matched to ambient conditions improving the space conditioning while saving energy.

Since acquisition, the NABERS Energy rating for Blue Tower - 12 Creek Street Brisbane has improved by 1 star from 2.5 stars to 3.5 stars. Between 2013 and 2015 energy intensity has reduced by 21% and electricity costs have reduced by approximately \$160,000 per annum. DEXUS anticipates further improvements as the upgrade works are finalised and is targeting a 4.5 star NABERS Energy rating for the property.

#### ENERGY SAVINGS SCHEME

Energy Savings Certificates	FY11	FY12	FY13	FY14	FY15	FY16
ESCs created <sup>1</sup>	0	8,608	17,004	42,814	22,301	33,800
ESCs traded <sup>1</sup>	0	0	0	32,446	58,093	15,934

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

DEXUS participates in the NSW Energy Savings Scheme, and generates Energy Savings Certificates (ESCs) based on demonstration of electricity reductions due to energy efficiency projects. These certificates are traded to realise extra funds for repaying projection implementation capital costs and for use in further building works.

Each ESC is equivalent to 1 tonne of carbon dioxide equivalent (tCO<sub>2</sub>-e).



# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### RESOURCE CONSUMPTION - METHODOLOGY

The resource consumption data is derived from office, industrial and retail properties under the operational control of DEXUS for part or all of the 12 months ending 30 June 2016 with the inclusion of DEXUS corporate tenancies.

DEXUS has applied the principles contained within the National Greenhouse and Energy Reporting Act 2007 and its associated guidelines to determine the operational control of its properties across Australia and New Zealand.

DEXUS also included water usage from 11 current and five previously managed Australian industrial properties where water is purchased by DEXUS and consumed by tenants and DEXUS for property maintenance e.g. landscaping.

The following joint venture partner controlled properties and those under development are omitted where DEXUS does not maintain operational control:

- Westfield Miranda, Miranda, NSW
- Westfield Plenty Valley, South Morang, VIC
- Westfield North Lakes, Mango Hill, QLD
- Westfield West Lakes Shopping Centre, West Lakes, SA
- Westfield Hurstville, Hurstville, NSW
- Westfield Mount Druitt, Mt Druitt, NSW
- Knox City Shopping Centre, Wantirna South, VIC
- 324 Queen Street, Brisbane, QLD

Refer to the DEXUS 2016 Assurance Criteria for further details including the list of consumption and emission sources, and references for factors that have been applied. The [2016 Assurance Criteria](#) is available in the CR&S library on DEXUS's website.

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

Reporting against DEXUS's 65% waste diversion target is based on the like-for-like data portfolio whereby operational control and data for energy and water was available for the full 48 month period across FY12 to FY16.

DEXUS has reviewed its environmental dataset to fully align with NGER by adding minor source items and confirming calculation methods and factors. Non-material historical figures have been applied to all years since the 2008 base year and have been restated for consistency. Prior years' data has been updated to reflect current information where applicable resulting in minor restatements. Repetition only occurs when there is an overlap of reporting periods. There may be small discrepancies in the totals in some tables due to rounding.

DEXUS's FY16 disclosure includes a restatement of energy and emissions figures for QV Melbourne following resolution of metering and billing issues which has added 12,100GJ to the FY15 energy footprint.

For further information refer to DEXUS's [Environment Disclosure of Management Approach](#) (DMA) available on DEXUS's website.



# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### APPENDIX A - ENERGY, WATER AND GREENHOUSE GAS EMISSIONS METRICS

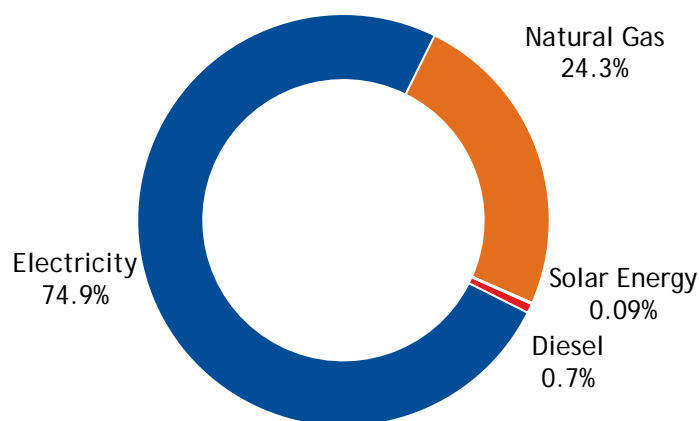
##### ENERGY CONSUMPTION AND PRODUCTION BY SOURCE

Energy	FY08 <sup>1</sup>	FY12	FY13	FY14	FY15	FY16
<b>Energy consumption (GJ)</b>						
Diesel	957	2,242	4,456	5,285	3,117	5,452
Electricity	614,987	445,639	407,352	468,400	546,759	550,509
Natural Gas	119,779	92,823	107,693	121,072	179,692	178,411
Solar Energy	0	48	275	415	383	656
Electricity consumed from on-site thermal and solar generation	383	2,765	6,054	7,692	8,927	10,066
<b>Total energy consumption</b>	<b>736,106</b>	<b>543,517</b>	<b>525,829</b>	<b>602,863</b>	<b>738,878</b>	<b>745,094</b>
<b>Energy production (GJ)</b>						
Electricity produced from thermal and solar generation for on-site use	383	2,765	6,054	7,692	8,927	10,066
Electricity generated and exported off site	0	0	0	0	0	0
<b>Total energy production</b>	<b>383</b>	<b>2,765</b>	<b>6,054</b>	<b>7,692</b>	<b>8,927</b>	<b>10,066</b>
<b>Net energy consumption (GJ)</b>						
<b>Total net energy consumption</b>	<b>735,723</b>	<b>540,752</b>	<b>519,775</b>	<b>595,172</b>	<b>729,951</b>	<b>735,028</b>

1. FY08 represents the Group's base year.

The following highlights the net energy consumption for FY16 by energy source.

FY16 Primary Energy Use by Source (GJ)



Net energy consumption comprises energy that is consumed within properties as measured at the property boundary and excludes energy produced or consumed within a property through energy transformations such as cogeneration.

Net energy consumption excludes energy that is purchased by DEXUS and on-sold to tenants.

DEXUS does not consume or export heating or cooling from/to district thermal sources.

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### WATER CONSUMPTION BY SOURCE

Water consumption	FY08 <sup>1</sup>	FY12	FY13	FY14	FY15	FY16
Office	839,884	622,802	648,480	807,714	979,054	1,086,735
Industrial	288,931	293,555	298,940	328,558	326,260	300,111
Retail	370,229	299,835	275,749	306,852	393,151	363,695
<b>Total potable water consumption (kL)</b>	<b>1,499,044</b>	<b>1,216,191</b>	<b>1,223,170</b>	<b>1,443,123</b>	<b>1,698,465</b>	<b>1,750,540</b>
Recycled water recovery	-	0	0	827	3,869	10,288
<b>Total water consumption including recycled water (kL)</b>	<b>1,499,044</b>	<b>1,216,191</b>	<b>1,223,170</b>	<b>1,443,950</b>	<b>1,702,334</b>	<b>1,760,828</b>

1. FY08 represents the Group's base year.

Reported water consumption comprises potable water purchased from local water utilities, plus on-site water treatment to recycle water at 1 Bligh Street Sydney, 123 Albert Street Brisbane and 145 Ann Street Brisbane, in which grey water is collected from the building's showers and hand basins and recycled in a treatment plant for reuse in within the building and for irrigation.

#### WASTE AND RECYCLING FROM PROPERTY OPERATIONS BY STREAM

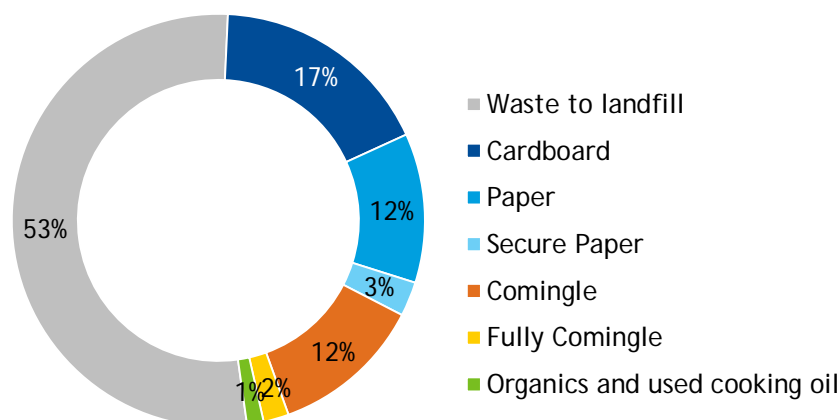
Waste stream (tonnes)	FY16	Disposal method
Cardboard	2,588	
Paper	1,736	Sent to EPA licensed receiving facilities for recycling into raw materials for new products or packaging.
Secure paper	400	
Comingle	1,768	
Fully comingle	295	
Organics and used cooking oil	193	Sent to EarthPower or similar receiving facility for conversion to green energy and nutrient-rich fertiliser. Energy is produced through the burning of bio gasses that are produced by the bacteria that digest the organic waste. The digested organic component can then be processed into a fertiliser pellet.
Waste to landfill	7,859	Sent directly to landfill or to receiving stations that may process the waste within a bio-reactor to produce energy.
<b>Total waste and recycling (tonnes)</b>	<b>14,840</b>	

# DEXUS Property Group

2016 Performance Pack

Enriched Environment

FY16 Waste by stream (Tonnes)



In FY16 there were no significant spills of waste or hazardous materials. There was no solid or liquid waste (deemed hazardous under the Basel Convention Annex) transported locally from one location for treatment.

## EMISSIONS OF OZONE DEPLETING SUBSTANCES

	FY08	FY12	FY13	FY14	FY15	FY16
Emissions of ozone depleting substances (t.CFC-11e)	n/a	n/a	n/a	0.1	0.9	0.2

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

## GREENHOUSE GAS EMISSIONS BY GAS TYPE

	FY08	FY12	FY13	FY14	FY15	FY16
<b>Direct greenhouse gas emissions (tCO<sub>2</sub>-e)</b>						
Carbon Dioxide (CO <sub>2</sub> )	6,207	4,908	5,822	6,565	9,416	9,551
Methane (CH <sub>4</sub> )	12	9	11	13	18	18
Nitrous Oxide (N <sub>2</sub> O)	7	3	4	5	6	6
Hydrofluorocarbons (HFCs)	-	2,961	3,429	4,425	6,443	7,467
Sulphur Hexafluoride (SF <sub>6</sub> )	-	0	0	0	0	0
Perfluorocarbon (PFC)	-	0	0	0	0	0
<b>Scope 1 GHG emissions (tCO<sub>2</sub>-e)</b>	<b>6,226</b>	<b>7,882</b>	<b>9,267</b>	<b>11,007</b>	<b>15,883</b>	<b>17,043</b>
<b>Indirect greenhouse gas emissions (tCO<sub>2</sub>-e)</b>						
<b>Scope 2 GHG emissions (tCO<sub>2</sub>-e)</b>	<b>151,951</b>	<b>112,803</b>	<b>103,931</b>	<b>117,455</b>	<b>137,767</b>	<b>134,895</b>
<b>Scope 3 GHG emissions (tCO<sub>2</sub>-e)</b>	<b>26,304</b>	<b>27,886</b>	<b>25,954</b>	<b>31,121</b>	<b>31,647</b>	<b>31,951</b>

DEXUS has determined its emissions resulting from the common greenhouse gases reported under the Kyoto Protocol, being carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

Emissions are aggregated into carbon dioxide equivalents (CO<sub>2</sub>-e) using factors called global warming potentials (GWPs).

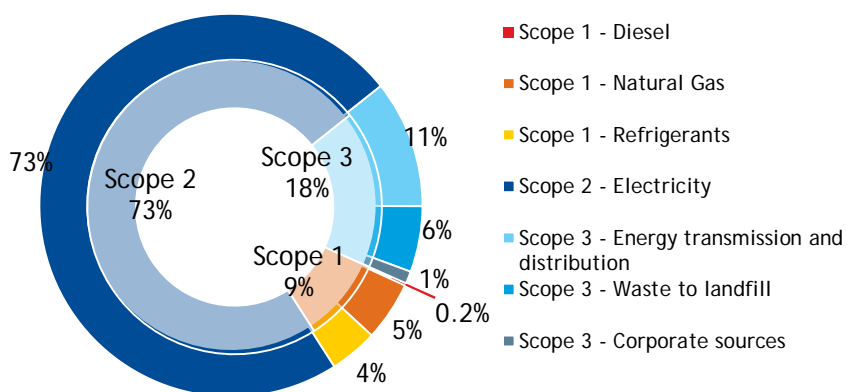
#### GREENHOUSE GAS EMISSIONS BY SOURCE

	FY08 <sup>1</sup>	FY12	FY13	FY14	FY15	FY16
<b>Scope 1 &amp; 2 greenhouse gas emissions (tCO<sub>2</sub>-e)</b>						
Diesel	67	156	310	367	217	383
Natural Gas	6,159	4,765	5,528	6,215	9,224	9,194
Refrigerants	0	2,961	3,429	4,425	6,443	7,467
Electricity	151,951	112,803	103,931	117,455	137,767	134,895
<b>Scope 1 &amp; 2 GHG emissions (tCO<sub>2</sub>-e)</b>	<b>158,176</b>	<b>120,685</b>	<b>113,198</b>	<b>128,462</b>	<b>153,650</b>	<b>151,938</b>
<b>Scope 3 greenhouse gas emissions (tCO<sub>2</sub>-e)</b>						
Energy transmission and distribution losses	26,304	20,940	19,739	22,675	21,199	19,828
Waste to landfill	0	5,311	4,922	7,085	8,996	10,218
Corporate sources		1,635	1,292	1,361	1,452	1,906
<b>Scope 3 GHG emissions (tCO<sub>2</sub>-e)</b>	<b>26,304</b>	<b>27,886</b>	<b>25,954</b>	<b>31,121</b>	<b>31,647</b>	<b>31,951</b>

1. FY08 represents the Group's base year

The following highlights the total Scope 1, 2 and 3 greenhouse gas emissions for FY16 by emissions source.

FY16 Greenhouse Gas Emissions by Source (t.CO<sub>2</sub>-e)



# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### APPENDIX B - ENVIRONMENTAL DATASETS FOR LISTED, UNLISTED AND DWPF EQUITY BOUNDARIES

##### ENVIRONMENTAL SUMMARY - DEXUS

Metric	FY08 <sup>1</sup>	FY12	FY13	FY14	FY15	FY16
<b>Greenhouse gas emissions (tCO<sub>2</sub>-e) - Property portfolio</b>						
Scope 1	4,335	5,234	6,223	6,943	8,948	9,396
Scope 2	78,702	59,409	56,202	60,344	65,671	65,043
<b>Total Scope 1 &amp; 2</b>	<b>83,037</b>	<b>64,643</b>	<b>62,424</b>	<b>67,287</b>	<b>74,620</b>	<b>74,439</b>
Scope 3	13,877	12,534	12,024	14,616	13,790	14,009
<b>Total Scope 1, 2 &amp; 3</b>	<b>96,914</b>	<b>77,177</b>	<b>74,448</b>	<b>81,903</b>	<b>88,410</b>	<b>88,448</b>
<b>Energy and water consumption</b>						
Total net energy consumption (GJ)	390,649	300,244	306,541	332,113	377,098	378,222
Water consumption (kL)	737,147	647,663	669,395	766,511	848,286	889,478
<b>Waste and recycling</b>						
Waste to landfill (tonnes)	-	1,513	1,367	2,797	3,313	3,411
Recycling (tonnes)	-	1,696	2,013	3,089	3,396	3,137
<b>Total waste (tonnes)</b>	<b>-</b>	<b>3,209</b>	<b>3,380</b>	<b>5,885</b>	<b>6,708</b>	<b>6,549</b>
Waste data coverage across portfolio	-	74%	73%	85%	91%	86%
<b>Energy productivity</b>						
Total operating segment revenue (\$m)	702.2	764.4	683.7	824.9	1,056.4	1,072.2
Energy productivity (\$ Segment Revenue / Net energy Consumed (GJ))	1,797.5	2,545.93	2,230.37	2,483.79	2,801.40	2,834.84

1. FY08 represents the Group's base year.

##### ENVIRONMENTAL SUMMARY - THIRD PARTY FUNDS MANAGEMENT

Metric	FY08 <sup>1</sup>	FY12	FY13	FY14	FY15	FY16
<b>Greenhouse gas emissions (tCO<sub>2</sub>-e) - Property portfolio</b>						
Scope 1	908	1,793	2,074	2,669	4,558	5,120
Scope 2	42,298	34,283	33,451	37,880	49,851	48,633
<b>Total Scope 1 &amp; 2</b>	<b>43,205</b>	<b>36,077</b>	<b>35,525</b>	<b>40,549</b>	<b>54,409</b>	<b>53,753</b>
Scope 3	6,789	9,285	8,952	10,091	11,740	11,483
<b>Total Scope 1, 2 &amp; 3</b>	<b>49,994</b>	<b>45,362</b>	<b>44,477</b>	<b>50,641</b>	<b>66,149</b>	<b>65,236</b>
<b>Energy and water consumption</b>						
Total net energy consumption (GJ)	178,648	146,897	146,099	171,625	238,314	244,252
Water consumption (kL)	458,758	415,016	443,055	516,176	663,115	668,344
<b>Waste and recycling</b>						
Waste to landfill (tonnes)	-	2,872	2,663	2,862	3,724	3,288
Recycling (tonnes)	-	1,504	1,517	2,063	2,852	2,620
<b>Total waste (tonnes)</b>	<b>-</b>	<b>4,376</b>	<b>4,181</b>	<b>4,925</b>	<b>6,577</b>	<b>5,908</b>
Waste data coverage across portfolio	-	88%	84%	91%	91%	83%

1. FY08 represents the Group's base year.

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### ENVIRONMENTAL SUMMARY - DEXUS WHOLESALE PROPERTY FUND

Metric	FY08 <sup>1</sup>	FY12	FY13	FY14	FY15	FY16
<b>Greenhouse gas emissions (tCO<sub>2</sub>-e) - Property portfolio</b>						
Scope 1	624	1,166	1,479	1,609	1,706	2,034
Scope 2	20,901	17,940	20,185	22,049	23,842	24,952
<b>Total Scope 1 &amp; 2</b>	<b>21,526</b>	<b>19,106</b>	<b>21,664</b>	<b>23,658</b>	<b>25,548</b>	<b>26,986</b>
Scope 3	3,124	4,150	4,480	4,956	5,153	5,278
<b>Total Scope 1, 2 &amp; 3</b>	<b>24,650</b>	<b>23,256</b>	<b>26,144</b>	<b>28,614</b>	<b>30,701</b>	<b>32,264</b>
<b>Energy and water consumption</b>						
Total net energy consumption (GJ)	86,602	77,221	89,320	98,538	105,882	119,587
Water consumption (kL)	217,760	234,406	264,772	290,873	338,269	372,265
<b>Waste and recycling</b>						
Waste to landfill (tonnes)	-	1,068	1,006	1,074	1,424	1,222
Recycling (tonnes)	-	573	623	838	1,051	1,012
<b>Total waste (tonnes)</b>	<b>-</b>	<b>1,641</b>	<b>1,629</b>	<b>1,912</b>	<b>2,474</b>	<b>2,233</b>
Waste data coverage across portfolio	-	79%	68%	83%	85%	69%

1. FY08 represents the Group's base year.

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

#### APPENDIX C - BUILDING NABERS RATINGS

##### OFFICE PORTFOLIO NABERS RATINGS AT JUNE 2016

DEXUS properties	NABERS Energy at 30 June 2016		NABERS Water at 30 June 2016
	With GreenPower	Without GreenPower	
Garema Court, 140-180 City Walk, Canberra	5	4.5	5
11 Talavera Road, Macquarie Park	5	5	4
Victoria Cross, 60 Miller Street, North Sydney	5	5	3.5
130 George Street, Parramatta	5	5	4
30 The Bond, 30 Hickson Road, Sydney	5.5	5.5	3.5
383 Kent Street, Sydney	4.5	4.5	4
44 Market Street, Sydney	5	5	3.5
45 Clarence Street, Sydney	5.5	5	3.5
1 Margaret Street, Sydney	5.5	5	3.5
123 Albert Street, Brisbane	5.5	5.5	4
8 Nicholson Street, Melbourne	4	3	3.5
Flinders Gate, 172 Flinders Street, Melbourne	3.5	3	3
Flinders Gate, 189 Flinders Lane, Melbourne	3.5	2.5	1
Southgate - HWT Tower, 40 City Road, Southbank	5	4.5	4
Southgate - IBM Centre, 60 City Road, Southbank	4.5	4	3.5
Woodside Plaza, 240 St Georges Terrace, Perth	5	4.5	3
AXXESS Corporate Park, 321 Ferntree Gully Rd Mt Waverley	1.5	1.5	4.5

Third Party Funds Management properties	NABERS Energy at 30 June 2016		NABERS Water at 30 June 2016
	With GreenPower	Without GreenPower	
Gateway, 1 Macquarie Place, Sydney	5.5	5	3.5
324 Queen Street, Brisbane	4.5	3	3.5
360 Collins Street, Melbourne	3.5	2.5	1
452 Flinders Street, Melbourne	4.5	4	3.5
AM60, 42-60 Albert Street, Brisbane	5	4.5	3.5
1 Innovation Road, Macquarie Park	5.5	5	4
141 Walker Street, North Sydney	5.5	5	3.5
83 Clarence Street, Sydney	5.5	4.5	4



# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

Co-owned properties	NABERS Energy at 30 June 2016		NABERS Water at 30 June 2016
	With GreenPower	Without GreenPower	
The Zenith, 821 Pacific Highway, Chatswood	5	5	3.5
1 Bligh Street, Sydney	5	5	4.5
201 Elizabeth Street, Sydney	4.5	3.5	3.5
309 Kent Street, Sydney	5	5	4
321 Kent Street, Sydney	5	5	3
39 Martin Place, Sydney	4	4	3.5
Australia Square (Tower), 264 George Street, Sydney	4.5	4.5	3.5
Australia Square (Plaza), 87 Pitt Street, Sydney	5.5	5	3.5
Governor Phillip Tower, 1 Farrer Place, Sydney	4	2.5	2.5
Governor Macquarie Tower, 1 Farrer Place, Sydney	EXEMPT	EXEMPT	2.5
Grosvenor Place, 225 George Street, Sydney	4	4	4
Blue Tower, 12 Creek Street, Brisbane	3.5	3.5	3.5
Allara House, 48 Allara Street, Canberra	4.5	4.5	4
Customs House, 5 Constitution Avenue, Canberra	4.5	4.5	4
Nara House, 1 Constitution Avenue, Canberra	4.5	4.5	4.5
2 & 4 Dawn Fraser Avenue, Sydney Olympic Park	5	5	5.5
14-18 Lee Street, Haymarket	5	5	4.5
60 Castlereagh Street, Sydney	5	4.5	3.5
101 George Street, Parramatta	5.5	5	4
150 George Street, Parramatta	5.5	5.5	3.5
175 Pitt Street, Sydney	5.5	5	3.5
201 Miller Street, North Sydney	5	5	4
56 Pitt Street, Sydney	5	5	4
10 Eagle Street, Brisbane	4.5	4.5	4
145 Ann Street, Brisbane	5.5	5.5	4.5
Waterfront Place, 1 Eagle Street, Brisbane	5	5	4.5

# DEXUS Property Group

## 2016 Performance Pack

### Enriched Environment

Co-owned properties (continued)	NABERS Energy at 30 June 2016		NABERS Water at 30 June 2016
	With GreenPower	Without GreenPower	
11 Waymouth Street, Adelaide	5.5	5.5	4
108 North Terrace, Adelaide	EXEMPT	EXEMPT	EXEMPT
180 Lonsdale St, Melbourne	4.5	4.5	5
222 Lonsdale Street, Melbourne	4	4	4.5
385 Bourke Street, Melbourne	4	3.5	3
NRMA House, 46 Colin Street, West Perth	4	3.5	2
Alluvion, 54-58 Mounts Bay Road, Perth	5	5	4.5

#### RETAIL PORTFOLIO NABERS RATINGS AT JUNE 2016

Co-owned properties	NABERS Energy at 30 June 2016		NABERS Water at 30 June 2016
	With GreenPower	Without GreenPower	
QV, Melbourne	2.5	2.5	-

Third Party Funds Management properties	NABERS Energy at 30 June 2016		NABERS Water at 30 June 2016
	With GreenPower	Without GreenPower	
Tweed City, Tweed	4	4	4.5
Smithfield Centre, Smithfield	3.5	3.5	4.5
Plumpton Marketplace, Plumpton	4	4	2.5
Beenleigh Marketplace	3	3	4.5
Sturt Mall	4	4	4
Willows Shopping Centre	3.5	3.5	N/A
Deepwater Plaza	N/A	N/A	N/A