

A woman with long dark hair, wearing a blue sleeveless dress and black heels, is walking down a wooden staircase. She is holding a black folder or tablet under her left arm. The staircase has a white curved balustrade. In the background, there is a modern office space with glass walls, white desks, and pink chairs. The ceiling is white with recessed lights.

dexus

Strong foundations
Positive momentum

Sustainability
Performance Pack
2018

10 years
being listed
as Dexus

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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 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 FY18 commitments are based on material issues which have the greatest impact on its stakeholders across its Sustainability Approach.

All of Dexus's FY18 commitments have been achieved and/or progressed. The results relating to each stakeholder group are detailed in Delivering FY18 Commitments the 2018 Dexus Online Annual Reporting suite supported by non-financial and operational data supplied in this 2018 Sustainability Performance Pack. Dexus referred to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines to determine the report's boundaries for guidance on identifying and reporting its material issues, management approaches and reporting key performance indicators across stakeholder groups including investors, employees, customers, suppliers and the community.

The 2018 Annual Reporting Suite has been prepared in accordance with the GRI Standards: Core option and nominated indicators have been externally assured. The GRI index will be provided with online 2018 Dexus Sustainability Performance Pack at www.dexus.com/2018gri

This report should be read in conjunction with the reports that comprise the 2018 Annual Reporting Suite.

Material issues

Understanding our key issues

We continuously seek to improve the information we report on, including reviewing material issues to ensure relevance.

Periodically, we formally re-assess our material issues through an extensive process, facilitated by an independent specialist. In the intervening years, including 2018, we conduct an annual management review of our materiality matrix in line with reporting disclosure.

Dexus's materiality matrix

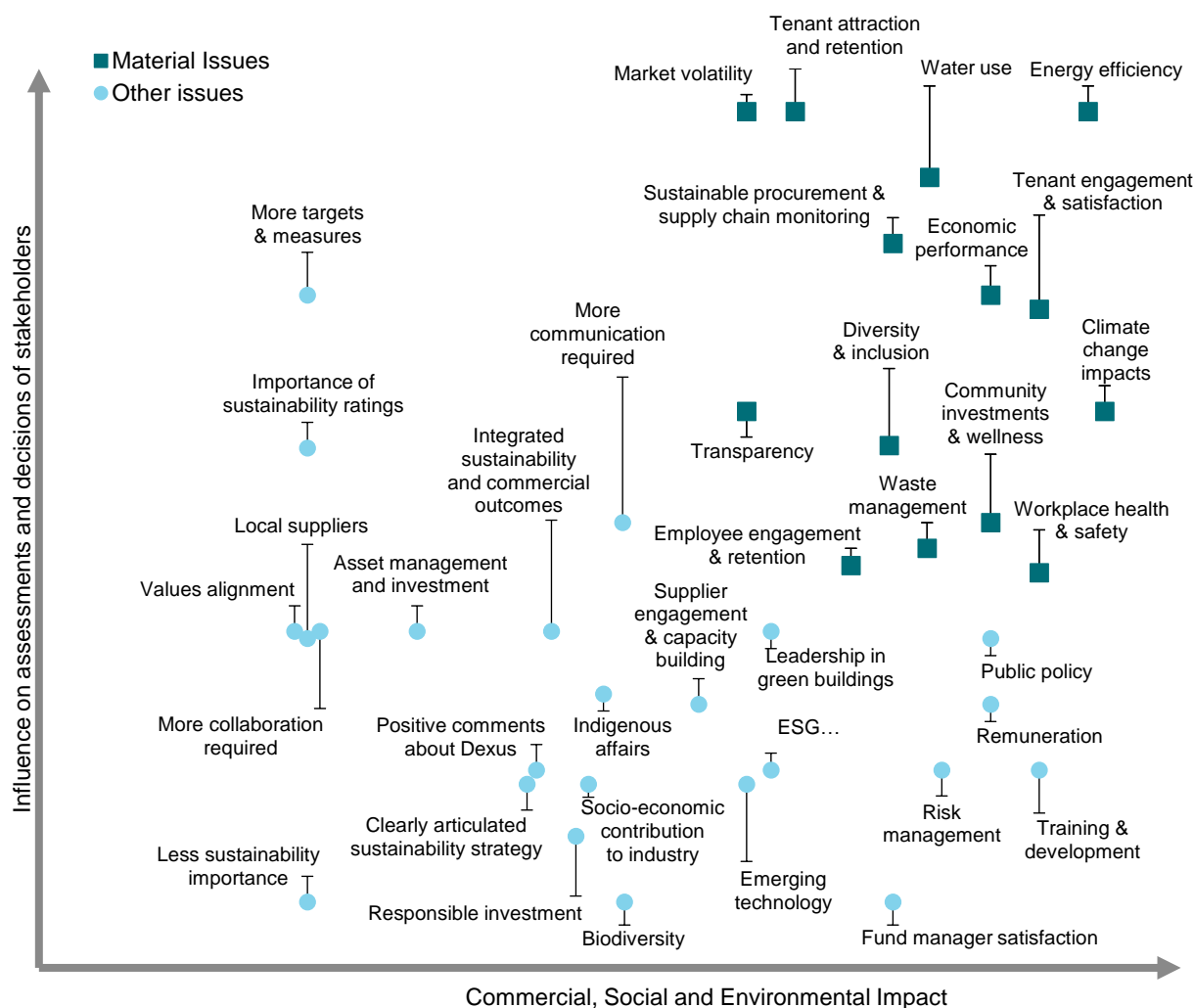
The issues identified by Dexus and its stakeholders are visually correlated to highlight the influence on

stakeholders and their importance to Dexus and the property sector.

We have created a matrix to assist in prioritising the most material issues as the basis for ongoing disclosure. These material issues are a major consideration in the development of our evolving [Sustainability Approach](#).

The material issues align to the key objectives of our sustainability approach and have informed our [FY18](#) and future commitments.

The materiality matrix also informed the material topics that have been included within Dexus's 2018 [Global Reporting Initiative \(GRI\) Index](#).





2018 GRI Standards material issues index

Dexus's Top 10 material issues reflect priorities for Dexus and its stakeholders and align with GRI Standards requirements and our sustainability approach.

The material issues are not prioritised, rather organised under the key sustainability objectives.

Dexus's material issues in relation to the United Nations Sustainable Development Goals

In September 2015, the United Nations member nations voted to adopt a 2030 agenda for sustainable

development; a plan of action to transform our world by 2030 for the benefit of people, the planet and prosperity.

The United Nations has outlined 17 [Sustainable Development Goals](#) (SDGs), that seek to resolve the most pressing issues facing society including extreme poverty, hunger, climate change, with the goal to heal and secure our planet.

We acknowledge that we are part of this collective journey and have mapped our material issues against the broader SDGs to identify those that are most relevant to our activities as an organisation and geographical area of operation.

Material issue arranged by sustainability objective	Topic explanation	Related Sustainable Development Goals	Topic boundary
Sustained value			
Financial performance	Maintaining strong financial performance over the long term through delivering on strategy	8. Decent work and economic growth	Dexus portfolio owned and managed by DXS security holders
Transparency	Promoting open communication with investors, supporting Dexus's strong governance principles	16. Peace, justice and strong institutions	Dexus platform
Market volatility	Adopting active leasing and asset management strategies to proactively address variable market conditions	8. Decent work and economic growth	All properties within the Dexus group portfolio
Future enabled customers			
Tenant attraction and retention	Enhancing customer engagement and satisfaction and utilising leasing capabilities to attract and retain customers to improve portfolio occupancy	8. Decent work and economic growth 9. Industry, innovation and infrastructure 11. Sustainable cities and communities	Customers occupying properties within the Dexus group portfolio
Thriving people			
Talent attraction and retention	Attracting, retaining and developing employees to deliver high performance in a diverse and inclusive workplace	3. Good health and wellbeing 4. Quality education 5. Gender equality	All Dexus employees
Workplace health and safety	Ensuring the safety of employees, customers and suppliers at Dexus properties	3. Good health and wellbeing	All persons occupying or visiting Dexus managed properties
Leading cities			
Community contribution	Engaging with the community through corporate social responsibility programs and providing spaces servicing the wider community	3. Good health and wellbeing 11. Sustainable cities and communities 15. Life on land	All properties within the Dexus group portfolio
Strong communities			
Sustainable procurement and supply chain monitoring	Effectively managing supply chain risks in relation to environmental, social and governance issues and identifying opportunities to create value in partnership with suppliers	12. Responsible consumption and production 17. Partnerships for the goals	Suppliers to Dexus across all properties within the Dexus group portfolio
Enriched environment			
Climate change impacts	Assessing the impact and adopting measures to address the effect of climate change on the property portfolio	13. Climate action	All properties within the Dexus group portfolio
Resource efficiency and waste	Improving energy and water efficiency and waste management to enhance environmental outcomes, demonstrated through sustainability ratings	6. Clean water and sanitation 7. Affordable and clean energy 12. Responsible consumption and production	All properties within the Dexus group portfolio



Managing risk

A prudent and robust approach to risk management is an essential part of Dexus's ongoing success. 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 the group 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 [Operating and Financial Review](#), the [Corporate Governance Statement](#) and the [2018 Annual Report](#).

Setting business targets and commitments

Corporate responsibility and sustainability is an integral part of our daily business operations. Dexus delivers these responsibilities through measurable actions and within [Board](#) and [Corporate](#) policies.

Dexus sets measurable performance commitments and targets for each objective within our Sustainability Approach based on these material issues.

Dexus reports progress and results relating to each stakeholder group within the [2018 Annual Report](#) supported by non-financial and operational data supplied in this 2018 Sustainability Performance Pack.

Boundary terms

In this 2018 Sustainability Performance Pack:

- 'Dexus', 'the group', 'Dexus group portfolio', 'we', 'us' and 'our' refer to Dexus comprising the ASX listed entity (DXS) and the Third Party Funds Management business, unless otherwise stated
- 'Dexus portfolio' relates specifically to the portfolio of properties in the ASX listed entity
- 'Funds management portfolio' relates to properties managed by Dexus on behalf of third party clients

Any reference in this report to a 'year' relates to the financial year ended 30 June 2018. 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 environmental and social data metrics within the 2018 Dexus Annual Online Reporting Suite.

Limited assurance has been obtained for the 12 months to 30 June 2018. The Assurance Statement, and associated reporting criteria documents are available within Dexus's online [Corporate Responsibility & Sustainability \(CR&S\) library](#).

Materiality assessment timeline and process



Dexus's materiality assessment encompasses an assessment or management review using a four-stage process:

Review type	1. Identify & align	2. Engage	3. Prioritise	4. Disclose
Materiality Assessment (every 3 to 5 years)	Research existing and emerging material issues relevant to our business, as identified by: <ul style="list-style-type: none"> – Local and international best practice peers – Investment bodies – Sustainability benchmarking tools – Industry associations 	Engage with key stakeholders to identify issues that they considered important to the group. Issues relating to GRI Standards topics as well as other stakeholder issues	Engaging topic experts across Dexus to assign an appropriate level of insight on priority on the relative materiality of the issues, prioritising them based on their significance and likely impact to Dexus and our stakeholders	Dexus has aligned with the GRI Standards to ensure the structure and content of annual results reporting adequately disclosed materiality issues and performance
Annual Management Review (intervening years)	Align material issues with Dexus strategic risks and risk management activities, operations, and project initiatives	Review issues arising from engagement (meetings, surveys with customers, investors, and employees). Review issues arising from industry collaboration and sustainability surveys and benchmarks such as CDP, GRESB, and RobecoSAM	Review and update the priority rating Dexus has assigned to issues and the updated matrix forms the basis of Dexus's material issues	Dexus has aligned with GRI Standards to ensure the structure and content of annual results reporting adequately disclosed materiality issues and performance

Sustained value

Our sustainability approach is aligned with Dexus's strategy through the overarching goal of delivering Sustained Value for our stakeholders

Investing responsibly

Dexus's sustainability approach incorporates the UNPRI 'six principles' relating to responsible investment and active property management. The approach is aligned with our corporate strategy through its overarching goal to create Sustained Value.

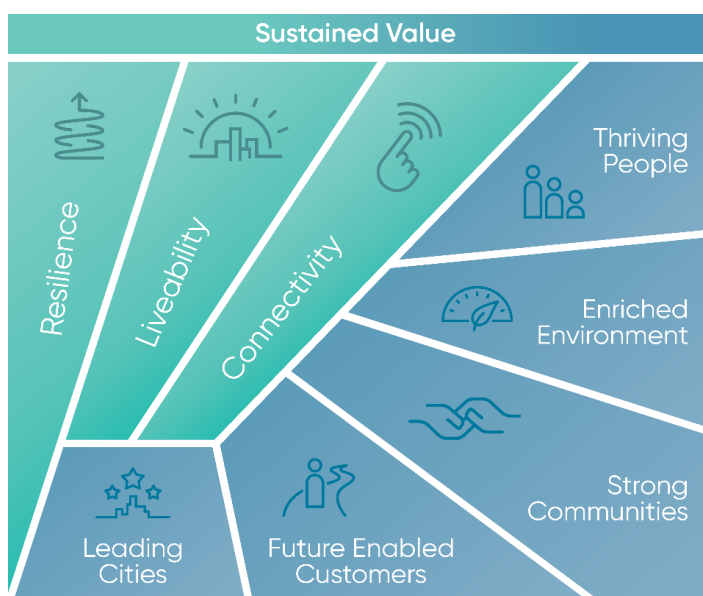
This framework incorporates five objectives which describe goals, while the three themes provide a frame of reference for initiatives and programs.

Key themes:

Connectivity - using technology to enable connectivity between people and places and smart operations of Dexus's business and buildings

Liveability - creating vibrant, inspiring and flexible work places which enhance productivity and foster the wellbeing of employees and customers

Resilience - increasing resilience so that buildings and spaces are adaptive and customers and Dexus can prosper over the long term



Together, the three key themes and five key objectives, form the basis from which sustainability commitments and targets are formed, and how achievement is measured.

Integrating sustainability

We create sustained value by taking a systematic approach that links our strategy and vision to our actions and performance outcomes through policies and governance frameworks, setting targets and embedding these into day-to-day operations.

Engagement	Policies	Commitments	Practices	Measure and report
We engage with stakeholders to identify and manage material issues which have the greatest impact on our stakeholders	Dexus's Environmental, Social and Governance (ESG) policies encapsulate our 'Sustained Value' vision and inform all stakeholders of their legal and corporate responsibilities for the management of environmental, social and governance issues	We set measurable performance targets across our key stakeholder groups in line with our strategy, and drive ethical and responsible performance in all areas of operations	We integrate ESG management practices within day-to-day operations, developments and investment decision making to enhance corporate performance and create sustained value	Within our annual sustainability performance pack, we report our performance across each of our key objectives including achievements against targets. We report our management approaches within our disclosure under GRI Standards



Our move into sustainable healthcare

For Dexus, FY18 has been a landmark year in terms of diversification into the healthcare property sector and for sustainability-driven investment.

We believe that the healthcare property sector is supported by compelling demand drivers and will benefit strongly from Australia's ageing population, longer life-expectancy, population growth and advances in treatment capabilities.

The healthcare property sector is largely non-discretionary and insulated from economic cycles, offering longer-term leases of 10-30 years, often with well-credentialed operators bearing a large percentage of operational capital expenditure.

During the year Dexus, together with Commercial & General (C&G), launched the Healthcare Wholesale Property Fund (HWPF) with two seed investment partners, the Clean Energy Finance Corporation (CEFC) and Australian Ethical Investment (Australian Ethical).

Dexus establishes sustainable healthcare fund

The Healthcare Wholesale Property Fund is targeting emission reductions of 45% in both new and existing buildings when compared with the Council of Australian Government (COAG) Baseline Energy Consumption in commercial buildings. New HWPF buildings will be designed to achieve a Green Star Design and As Built rating of 5 stars.



Seed asset: Calvary Adelaide Hospital



Pipeline asset: North Shore Health Hub

CEFC's and Australian Ethical's investment is an endorsement of Dexus's strong Environmentally Sustainable Design (ESD) principles.

"We look forward to our investment helping drive new standards in energy efficiency in the energy-intensive healthcare sector. Dexus has a well-earned reputation for its leadership in building energy efficiency and sustainability. We are pleased to be part of this important Australian first initiative as we progress towards a net zero carbon future in our built environment."

Ian Learmonth - CEO, Clean Energy Finance Corporation

"We are very happy to be a foundation investor in HWPF to help develop the healthcare property sector in this country, and to grow this fund into Australia's premier healthcare property fund."

David Macri – CIO, Australian Ethical Investment

HWPF's Clean Energy Policy sets out ambitious targets for design and operation of existing and pipeline assets.

Engaging with investors

Dexus has been very active during the year engaging with investors who have an increasing appetite to discuss how we incorporate sustainability into our strategy and operations, and on how we are performing overall.

With responsible investment in mind, we recently launched our New Energy, New Opportunities strategy which outlines our goal to achieve net zero carbon emissions across our managed portfolio by 2030. This ambitious goal forms part of our climate resilience strategy as we transition to a low carbon economy.

We recognise the value of the Task Force on Climate-related Financial Disclosures (TCFD) framework and the growing investor interest to understand the financial impacts to Dexus stemming from climate-related risks and opportunities.

We have reviewed our alignment against TCFD reporting expectations to benchmark our practices and determine how we can further integrate climate change impacts within our leading approach to sustainability.

Read more about these initiatives within the [Enriched Environment](#) section.

Recognition for sustainability performance

Dexus responded to the Global Real Estate Sustainability Benchmark (GRESB), which assesses the sustainability performance of real estate entities globally. In our 2017 GRESB assessment, Dexus Office Trust ranked third globally among over 850 participants and achieved first place in its Listed Office peer group globally.

In addition, each year Dexus is invited by RobecoSAM to respond to its Corporate Sustainability Assessment. This year we continued our strong performance, with RobecoSAM awarding Dexus a Silver Sustainability Award in recognition of Dexus's demonstrated strengths in the area of corporate sustainability.

Dexus is included in RobecoSAM's 2018 Sustainability Yearbook which showcases the world's most sustainable companies from their submissions.







Delivering FY18 Sustained Value commitments

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

Commitment	Status	FY18 achievements
Investors		
Deliver 4.0-5.0% growth in distribution per security	☑	Delivered 5.1% growth in distribution per security, exceeding our revised guidance target of 4.5-5.0%, up from original guidance of 4-5%
Office and Industrial		
Continue selective forward leasing to manage expiry risk	☑	Reduced FY19 lease expiries from 12.0% at FY17 to 6.8% at FY18
Target \$165-170 million of capital expenditure	☑	FY18 capital expenditure of \$167.8 million within the target range of \$165-170 million
Target like-for-like income growth in office of 4.5-5%	☑	Achieved 4.5% like-for-like income growth for the office portfolio in line with our target of 4-5%
Target like-for-like income growth in industrial of 3-4%	☑	Delivered 3.0% like-for-like income growth for the industrial portfolio in line with our target of 3-4%
Third Party Funds Management		
Finalise new Healthcare Wholesale Property Fund	☑	In December 2017 the Healthcare Wholesale Property Fund completed its first round of equity raising, securing two new investors along with Commercial & General, the initial partner in the fund. Development of Calvary Hospital Adelaide has progressed, and planning approval was received for the North Shore Health Hub in St Leonards
Deliver continued unlisted fund outperformance	☑	All funds delivered strong performance with Dexus Wholesale Property Fund delivering top quartile performance and a one-year total return of 13.8%, outperforming its benchmark over all time periods. The Dexus Office Partnership delivered a one-year unlevered total property return of 16.0%
Trading		
Target trading profits of \$35-40 million net of tax	☑	Dexus delivered \$36.6 million of trading profits net of tax, achieving our FY18 target of \$35-40 million net of tax.

Sustained value – Performance data

Sustainability benchmark	FY18 Performance summary
<p>Signatory of:</p>  <p>Principles for Responsible Investment</p>	<p>In 2018, PRI awarded Dexus:</p> <ul style="list-style-type: none"> - 'A+' perfect score for our strategy and governance - A rating for our approach to responsible investment across our Direct Property portfolio
 <p>G R E S B[®] REAL ESTATE Sector Leader 2017</p>	<ul style="list-style-type: none"> - Dexus Office Trust ranked 3rd globally among over 850 participants, and achieved 1st place across Listed Office peers globally - Dexus Wholesale Property Fund (DWPF) was named Global Sector Leader, achieving 1st place for Diversified (Office/Retail) peer group - Both entities maintained their Green Star status recognising best practice at setting management strategy and policy and achieving successful outcomes through implementation
 <p>DISCLOSURE INSIGHT ACTION</p>	<ul style="list-style-type: none"> - Dexus was awarded 'A- Leadership' status in 2017. This result places Dexus in the top 18% of companies responding to CDP
<p>MEMBER OF</p>  <p>In Collaboration with RobecoSAM</p>	<ul style="list-style-type: none"> - Dexus retained its position in the 2017 DJSI World, Asia Pacific and Australian indices - Dexus was awarded a Silver Class Sustainability Award in the RobecoSAM 2018 Sustainability Yearbook

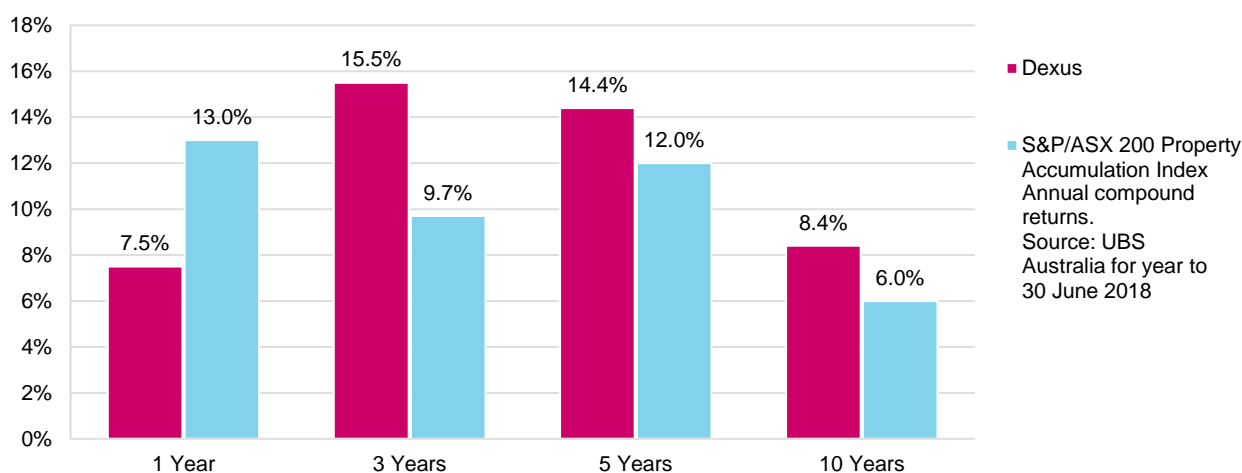


Financial highlights

Key metrics	FY14	FY15	FY16	FY17	FY18
Net profit after tax (\$m)	406.6	618.7	1,259.8	1,264.2	1,728.9
Adjusted Funds From Operations (\$m)	310.7	369.8	413.9	439.7	485.5
Adjusted Funds From Operations (cents per security)	37.9	40.4	42.7	45.4	47.7
Funds From Operations (\$m)	446.6	544.5	610.8	617.7	653.3
Funds From Operations (cents per security)	41.7 ¹	59.52	63.1	63.8	64.2
Distribution (cents per security)	37.56 ¹	41.04	43.51	45.47	47.8
Return on Equity (%)	6.7	11.5	19.3	18.2	19.8
Return on Contributed Equity (%)	n/a	n/a	n/a	7.6	7.6
NTA per security (\$)	6.36 ¹	6.68 ¹	7.53	8.45	9.64
Gearing (%) ²	33.7	28.5	30.7	26.7% ³	24.1
Duration of debt (years)	5.2	5.7	5.5	5.6	7.0
Total security holder return (%)	9.9	15.8	30.3	10.1	7.5

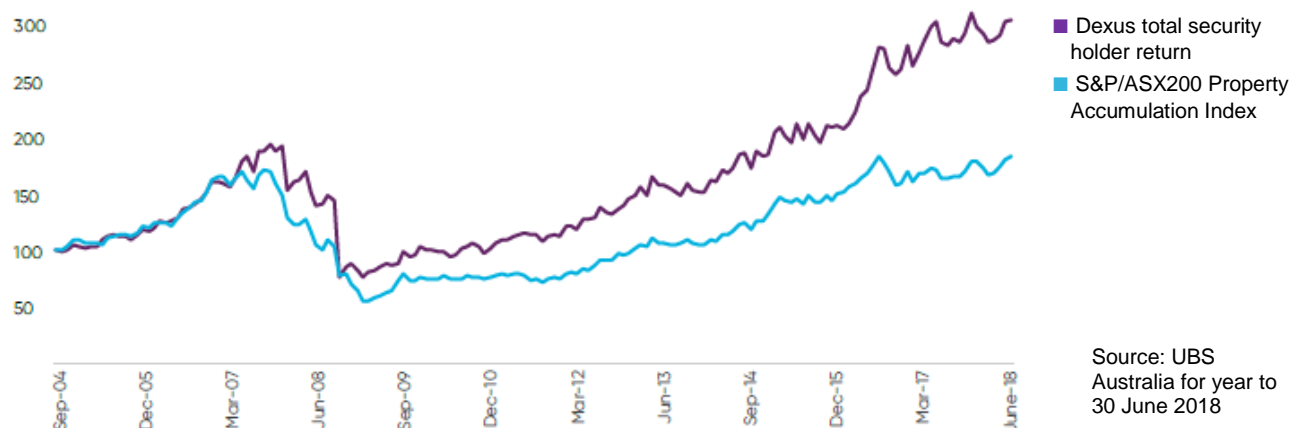
1. Dexus completed a one-for-six Security Consolidation in November 2014.
2. Adjusted for cash and for debt in equity accounted investments.
3. Pro forma gearing is adjusted for post balance dates acquisitions. Actual gearing (look-through) was 22.1%.

Dexus performance against Property index



Total return of Dexus securities

The chart below illustrates Dexus's performance against the S&P/ASX 200 Property Accumulation Index since listing in 2004.





Dexus portfolio snapshot

Key metrics		FY14 (pre CPA)	FY14 (post CPA)	FY15	FY16	FY17	FY18
Portfolio value (\$A)	Dexus portfolio	\$7.3bn	\$9.1bn	\$9.5bn	\$11.0bn	\$12.2bn	\$13.3bn
	Office	\$5.7bn	\$7.7bn	\$7.8bn	\$9.2bn	\$10.2bn	\$11.0bn
	Industrial	\$1.6bn	\$1.4bn	\$1.7bn	\$1.8bn	\$2.0bn	\$2.2bn
	Healthcare	-	-	-	-	-	\$0.1bn
Net lettable area (sqm)	Dexus portfolio	1,775,487	1,993,729	2,697,990	2,842,797	2,866,358	2,869,403
	Office	682,207	1,490,070	1,403,255	1,566,111	1,581,646	1,495,238
	Industrial	1,254,588	1,254,588	1,294,735	1,276,685	1,284,712	1,322,557
	Healthcare	-	-	-	-	-	51,608
Funds From Operations ¹	Office		\$455.4m	\$533.3m	\$567.2m	\$567.4m	\$603.8m
	Industrial		\$122.8m	\$112.3m	\$106.1m	\$114.8m	\$132.7m
Like-for-like income growth	Office	1.8%		0.2%	1.0%	2.6%	4.5%
	Industrial	1.1%	1.5%	0.7%	(7.1%)	3.6%	3.0%
Occupancy (by income)	Dexus portfolio	94.9%	-	-	-	-	-
	Office	94.6%	94.6%	95.3%	96.3%	97.2%	96.0%
	Industrial	96.1%	93.0%	92.4%	90.4%	96.5%	98.3%
Occupancy (by area)	Dexus portfolio	95.3%	-	-	-	-	-
	Office	94.4%	94.3%	95.5%	96.3%	97.0%	95.7%
	Industrial	95.9%	93.1%	91.7%	89.3%	96.6%	98.8%
Lease duration (by income)	Dexus portfolio	4.8 years	-	-	-	-	-
	Office	5.0 years	4.7 years	4.3 years	4.7 years	4.8 years	4.6 years
	Industrial	4.1 years	4.0 years	4.0 years	4.1 years	5.1 years	4.8 years
Weighted average capitalisation rate	Dexus portfolio	7.47%	-	6.88%	6.33%	5.95%	5.52%
	Office	7.17%	-	6.71%	6.16%	5.78%	5.37%
	Industrial	8.55%	8.32%	7.77%	7.38%	6.88%	6.40%
1 year total return	Office	10.6%	-	9.6%	16.0%	14.1%	16.9%
	Industrial	8.8%	9.0%	11.3%	16.0%	12.6%	13.6%

- On 1 July 2014, the group adopted the Property Council of Australia definition of FFO. The Directors consider FFO to be a measure that reflects the underlying performance of the group. FFO 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, rental guarantees, coupon income and distribution income net of funding costs.

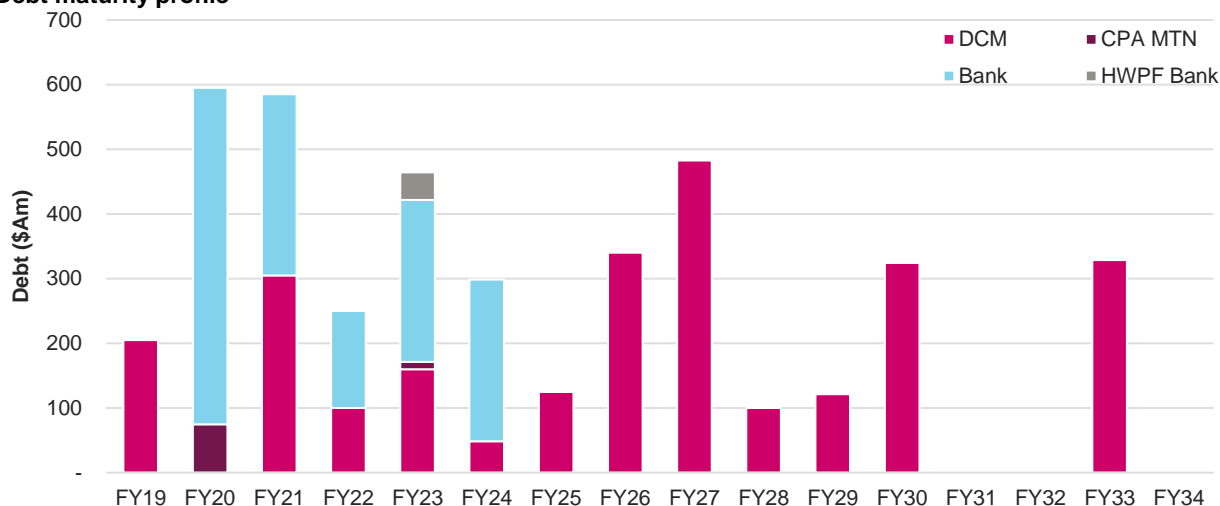


Capital management

Key metrics	FY14	FY15	FY16	FY17	FY18
Cost of debt ¹	5.4%	5.2%	4.8%	4.1%	4.2%
Duration of debt	5.2 years	5.7 years	5.5 years	5.6 years ²	7.0 years
Hedged debt ³	60%	69%	64%	65%	71%
Gearing	33.7%	28.5%	30.7%	26.7% ⁴	24.1%
Headroom (approximately) ⁵	\$0.5bn	\$0.8bn	\$0.4bn	\$1.1bn	\$0.9bn
S&P/Moody's credit rating	A-/A3	A-/A3	A-/A3	A-/A3	A-/A3

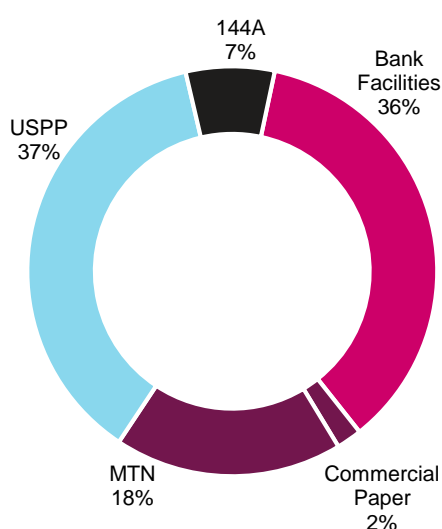
1. Weighted average across the period, inclusive of fees and margins on a drawn basis.
2. Includes \$60 million of Medium Term Notes issued in July 2017 and three bank facilities for \$325 million that commenced in July 2017.
3. Average for the year (excluding caps). Average for the year (including caps) was 71%.
4. Pro forma gearing is adjusted for post balance sheet acquisitions. Actual gearing (look-through) was 22.1%.
5. Undrawn facilities plus cash. Excluding forward start commitments.

Debt maturity profile¹

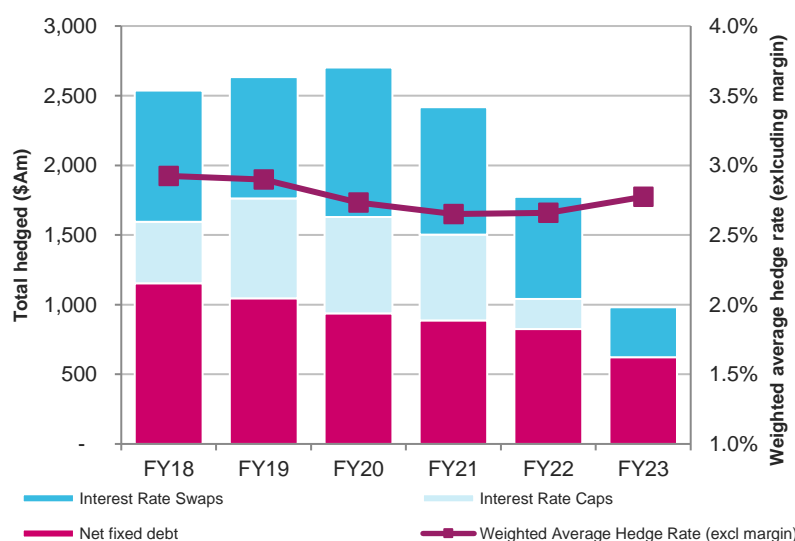


1. Average amount hedged for the period

Diversified mix of debt



Interest rate hedging maturity profile¹



1. Average amount hedged for the period



	June 18	June 19	June 20	June 21	June 22	June 23
A\$ net fixed debt ²	1,154	1,045	939	887	824	623
A\$ interest rate swaps	442	717	692	617	217	-
A\$ interest rate caps	940	870	1,072	915	732	359
Total Hedged \$Am	2,536	2,632	2,702	2,418	1,773	982
Weighted average hedge rate (excluding margin) ³	2.92%	2.90%	2.73%	2.65%	2.66%	2.77%

2. Average amount hedged for the period.

3. Gross fixed coupon less the amount converted to floating rate basis via coupon matched swaps.

4. 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.

Debt facilities¹

		Facility limit (A\$m)	Drawn (A\$m)	Maturity dates	Currency
Bilateral bank debt		520	50	FY20	A\$
		280	220	FY21	A\$
		150	50	FY22	A\$
		250	100	FY23	A\$
		250	100	FY24	A\$
Commercial paper ²		100	100	FY22	A\$
Medium term notes		205	205	FY19	A\$
		160	160	FY23	A\$
		185	185	FY26	A\$
		130	130	FY27	A\$
US senior notes (144A) ³		305	305	FY21	US\$
US senior notes (USPP) ³	Series 1	291	291	Jul-23 - Jul-28	US\$
	Series 2	225	225	Feb-24 - Feb-27	US\$
	Series 3	286	286	Dec-24 - Dec-26	US\$
	Series 4 (A\$)	100	100	Jun-28	A\$
	Series 5	503	503	Nov-29 - Nov-32	US\$
	Series 5 (A\$)	150	150	Nov-29 - Nov-32	A\$
Subtotal		4,089	3,159		
Currency translation and fair value adjustments		212	212		
Deferred borrowing costs		(11)	(11)		
Total interest bearing liabilities		4,290	3,360		
Bank Guarantee utilised			(43)		
Cash			33		
Headroom including cash			920		

1. Does not include debt facilities in equity accounted investments: \$74.8 million (December 2019), \$11.5 million (December 2022), \$42.8 million (August 2022).

2. Maturity date of commercial paper standby facility.

3. 144A and USPP amount shown at the cross-currency swap contract rate.

Leading cities

Helping shape Australia's cities for competitiveness and as desirable places to work and live

Shaping our urban future

We take an active role in shaping the cities in which we operate through creating connected liveable and resilient communities. Our approach towards leading cities involves:

- Developing world-class office buildings that deliver customer-focused, sustainable workplaces and which enhance the amenity and vibrancy of CBDs
- Contributing to sustainable cities by integrating sustainable outcomes into our developments
- Building symbiotic city partnerships through collaboration with leading city think tanks and industry associations
- Conducting ongoing research to be able to anticipate future trends in our key CBD markets

With Australian cities just one third of their way through a 100-year cycle of urbanisation, we are adapting to evolving cities by progressing mixed-use developments, in turn benefitting the wider community.

In addition to progressing office developments within our existing pipeline (refer the next page for more detail), this year we enhanced leading cities with the announcement of new city shaping concept project proposals.

In Brisbane, the Queensland Government endorsed Dexus's Waterfront Precinct proposal to progress to the next stage under the Market-Led-Proposal Program.

The plan is to revitalise Brisbane's premier dining hub and create a traffic-free precinct that delivers a global-standard business address and tourist destination in the heart of the CBD.

Continuing this momentum, we progressed plans for major city shaping precinct developments in Sydney at 201 Elizabeth Street and Henry Deane Plaza, Central.

At 201 Elizabeth Street, the City of Sydney has approved removal of the existing office building and redevelopment into a 50-storey mixed-use hotel, retail and residential building overlooking Hyde Park. Clever site planning will achieve a 50% reduction of the building's shadow cast on Hyde Park. There is also an opportunity to enhance the vibrancy of the precinct through new retail amenity.

The NSW Government has provided approval to progress a proposal by Dexus and Frasers Property Australia to redevelop the Henry Deane Plaza at Lee Street, Central to the next stage under the Unsolicited Proposals process. The proposal is for a large scale mixed-use development integrating a transport and pedestrian access solution.

This mixed-use development opportunity offers the potential for superior urban, transport and connectivity outcomes, and presents a unique opportunity to integrate Transport for NSW's plans to revitalise Central Station, complementing the State Government's vision for a new technology and innovation precinct.

Transforming our future cities

Our cities are undergoing a transformation driven by various megatrends, underpinned by continued population growth and a record level of infrastructure investment.

This transformation supports Dexus's strategic focus on CBDs as centres of value creation and the development of vibrant mixed-used precincts to cater for the needs of our customers.

Delivering FY18 'leading cities' commitments

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

Commitment	Status	FY18 achievements
Improve the vibrancy of nine CBD spaces through the redevelopment of nine city retail spaces, providing customers and the surrounding community with reasons to engage, over a three-year period 2015-2018	☑	Completed the redevelopment of five city retail spaces, and progressed a further four, providing customers and the surrounding community greater engagement and vibrancy.
Collaborate with stakeholders to invest in the cities of the future by unlocking potential value and enabling sustainable urbanisation through the activation of six sites within the existing portfolio by 2022	⇨	Activated developments at four sites and identified two further opportunities to unlock potential value and enable sustainable urbanisation

Positioning Dexus as an investor in cities rather than buildings and evolving Dexus's mixed-used capability will improve our ability to capitalise on the highest and best use of real estate and align us with the aspirations of our customers and metropolitan planners.

To this extent we are broadening our thinking beyond individual assets and adopting a precinct and city shaping vision.

Vibrant, experience-driven precincts will attract people and high-growth businesses for the following reasons:

- People want to live-work-play in the one place, especially younger, high-skilled workers
- Landmark development projects
- Creative/innovative firms and workers crave proximity seamlessly to enable the seamless exchange of ideas and knowledge
- CBDs are seen as locations that attract talent

Key projects in the Dexus portfolio that respond to this vision include Waterfront Place, Brisbane, 180 Flinders Street Melbourne and Henry Deane Plaza, Central and 201 Elizabeth Street in Sydney.

Activating precincts

We take an active approach in creating leading cities through the activation of public areas of our CBD office properties, connecting properties within inspiring precincts, and attracting visitors through retail and dining experiences.

We progressed the development of 100 Mount Street, North Sydney, incorporating more than 15 smart technologies. In Perth, a redevelopment of 240 St Georges Terrace is underway to create a new street entry, enhanced amenity and an improved retail offering.

Development of 105 Phillip Street, Parramatta is complete and positively contributing to the growing Parramatta office market.

In Melbourne, we activated a development at 180 Flinders Street for a new office tower to be built over an existing carpark, delivering 20,100 square metres of new office space and retail and customer amenity.

The development will include a new A-Grade office space over the existing public carpark and the restoration of two existing buildings.

In Brisbane, we commenced the construction of a new office building, known as 12 Creek Street – The Annex. The building's innovative design supports an exciting community atmosphere where occupant wellbeing is at the forefront.

Connectivity is enhanced through a lively public space connecting neighbouring buildings, laneways and streets.

The Annex aligns with Brisbane City's 2033 vision for a new world city – creating buildings that breathe and bring a range of social and economic benefits to the community.

During the year we also completed city retail developments at Australia Square, Sydney and the Galleria at 385 Bourke Street, Melbourne.

Waterfront Place precinct, Brisbane



Proposal for a mixed-use precinct including office, residential, hotel and public open space.

The Annex – 12 Creek Street, Brisbane



Boutique office tower within Brisbane's Golden Triangle

201 Elizabeth Street, Sydney



Mixed-use development including residential, hotel and retail.

180 Flinders Street, Melbourne



High-quality office space, new retail and refurbishment of the historic buildings at 189 Flinders Lane and 180 Flinders Street.



Monitoring the pulse of our cities

Sound investment decisions require an in-depth understanding of real estate markets. To that end our in-house research team is an integral part of the decision-making process. Dexus Research actively monitors our key investment markets to track emerging trends, customer preferences and economic conditions to effectively manage market volatility.

Megatrends influencing sustainable cities

Dexus, our customers and the cities in which we operate are experiencing a climate of rapid change. Megatrends are changes occurring in the world which lead to large scale, long term shifts in patterns of growth, and create both disruption and opportunity. Megatrends will have significant implications for owners of real estate.

Dexus Research tracks emerging megatrends facing Dexus over the short, medium and long-term, in line with our Sustainability Approach themes of connectivity, liveability and resilience. Drawing on a wide range of local, regional and national datasets, we identify and assess the impacts of such trends.

Key megatrends and how Dexus manages and monitors them are outlined below.

Megatrend	How Dexus is equipped to manage and monitor megatrends
Globalisation The integration of capital, goods and services across national borders is driving increased connectivity between countries and cities, blending global cultures and business practices. As a result, businesses are seeking more flexibility in their working environments.	Dexus is responding to the growing demand from customers who seek workspaces that are flexible, collaborative and engaging through the launch of various initiatives including: <ul style="list-style-type: none"> – Dexus Place – Suite X, a new type of flexible workspace – Expanded suite offerings – Dexus simple and easy lease – Smart buildings connected to leading technologies
Shifting demographics and societal expectations The ageing of the population, drift of people to coastal urban areas, increasing diversity in the workforce and influence of the millennial generation is impacting the way people work.	Dexus keeps abreast of the latest workspace trends and is responding to increasing preferences for 'plug and play' or 'work anywhere' environments. Dexus's smart building blueprint provides technology solutions that promote both connectivity across different spaces and flexibility in workplace locations. Wellplace caters for the growing wellbeing trend in the workplace, providing a suite of health and wellbeing services and amenities. For Dexus's own workforce, the adoption of a flexible working policy allows our employees to work anywhere, anytime, supporting personal wellbeing and productivity.
Technological change Technology and connectivity is driving mobility and collaboration in workplaces. Artificial Intelligence, automation and robotics is replacing repetitive tasks, together with a greater focus on the value of big data and analytics.	Technological advancement brings opportunities to further support our customers, and Dexus is implementing innovative technologies in new developments to deliver a better customer experience and optimise workforce productivity. To support our employees, we are investing in systems and processes that will define how we operate as a business and create a foundation for operational excellence. This includes a new enterprise platform designed to enhance the efficiency of our day to day operations and reduce the operational demands on our people, enabling them to focus more on our customers.
Urban density Population growth and increasing urban density in Australia's major cities creating challenges for social equity, the environment, transport systems and city planning.	Dexus's property portfolio is concentrated in the key CBDs of cities around Australia where our customers want to be, a circumstance that sees Dexus's value and the future of our cities closely interrelated. Dexus is creating vibrant hubs with spaces that offer a sense of community and high amenity which are well-connected through technology and transport. We are conscious of the impact of our operations on the environment and we are embracing new technologies and new energy sources to provide energy efficient workspaces.
Sustainability As the world becomes more urbanised, demand for energy, food and water will rise, putting pressure on supply of resources, waste management and the wellbeing of people.	Over the past decade, we have focused on energy efficiency as well as reducing the group's greenhouse gas emissions and environmental footprint. As Australia continues its search for secure, affordable, and environmentally conscious energy, Dexus has made progress on the transition to a low carbon future. Our New energy, New opportunities strategy sets a pathway for Dexus to achieve net zero emissions by 2030 through improving energy efficiency and increasing renewables.

Dexus Research publications are available at www.dexus.com/research

Empowering customers through knowledge-sharing

In May 2017 Dexus launched Prism, an online hub providing insights and information as a resource for Dexus customers. Customers are encouraged to use this information resource on a regular basis and invited to subscribe to updates. Refer to our website at www.dexus.com/prism

Prism has enjoyed a successful first year with almost 1,000 subscribers and 82 articles published on topics such as workspace insights, megatrends, sustainability as well as market updates from Dexus Research.

Celebrating our cities and communities

Dexus participates in city and regional events and festivals and activates its precincts and lobby spaces for customers and the broader community.



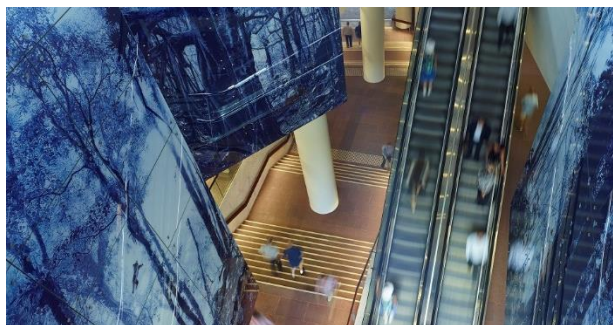
Grosvenor Place transformed for the Sydney Vivid festival of light

Once again, Dexus collaborated with Destination NSW to celebrate the 2018 Sydney Vivid festival of light. Grosvenor Place featured prominently in this year's event with a light show held in the building's Piazza.

Each night during the festival, Grosvenor Place was dressed in vibrant colour to join the Sydney Harbour Bridge and other Sydney landmarks in the creation of Iain Reed's Skylark artwork.

In October 2017, Australia Square showcased the best that Sydney in Spring has to offer, hosting night markets across two evenings of live music, food stalls and cocktails. Visitors were treated to pop-up stalls selling an eclectic selection of sweet, savoury and spicy dishes from all around the world, along with live Latin and Flamenco guitar beneath glowing festoons strung up in the plaza.

We also hosted visitors at 480 Queen Street, in conjunction with Brisbane Open House, opening the building's doors to display its award-winning architectural design and unique in-building public park.



Interior at 480 Queen Street, Brisbane

Enhancing the Perth CBD through shopping centre repositioning



Dexus is repositioning Carillon City into a vibrant retail, dining and entertainment destination in the Perth CBD, enhancing amenity for the local community and visitors alike.

Carillon City, Perth was acquired by DWPF in October 2016, providing a value-add opportunity. In June 2018, Dexus secured development approval for the refurbishment of Carillon City, including approximately 14,000 square metres of retail space to include:

- a mix of destination and unique brands
- an array of quality casual dining experiences

The HOYTS Group was secured to provide a new nine-screen cinema complex offering the latest technology and premium experience

The transformation of Carillon City will deliver a modern, connected retail and leisure experience to further complement the investment that is underway across the Perth city centre.

5 Martin Place, Sydney recognised



During the year 5 Martin Place, Sydney was awarded winner of the Office Development category for Australia at the 2018 Asia Pacific Property Awards.

This accolade continues the international recognition received by the flagship re-development, which has now won 20 awards for its preservation of the heritage structure and integration within a contemporary design, assisting to revitalise the Martin Place precinct.



Collaborating to create shared value

Building city partnerships

Dexus helps shape the cities in which we operate through active engagement with local government and business groups.

Dexus is a founding member of the Sydney-based Better Buildings Partnership (BBP) that brings together property managers to collaborate on improving environmental performance and value chain relationships.

During the year Dexus's Head of Sustainability and Energy, continued as Chair of the BBP Leadership Group which forms the strategy for the BBP initiatives.

The BBP achieved a major milestone in FY18 achieving 52% emissions reduction and 43% energy reduction when measured against its 2006 baseline, avoiding 1.1 million tonnes of carbon emissions in the 2017 calendar year. Dexus is a key contributor towards the BBP's goals due to our size and scale of property management in the Sydney CBD.

We continued to support BBP initiatives and collaborate on developing industry leading guidance. We are in the

second year of implementing the BBP's 'strip out' waste guidelines within tenancy de-fit projects. Dexus's goal is to consistently meet an 80% waste recovery rate and has made significant progress towards this, achieving our goal across 11 of 17 projects to date.

Dexus continued to actively promote customer energy efficiency programs such as City Switch, and other programs such as the 2018 Earth Hour campaign.

Lending our voice to issues affecting our cities

Across Dexus, passionate people contribute their time to collaborate with industry groups at both national and regional levels, contributing to public policy debate on issues that impact the future prosperity, liveability, connectivity and resilience of our cities.

Dexus actively engages with the Property Council of Australia (PCA) through group initiatives and regular advocacy. Darren Steinberg, Chief Executive Officer continued his role as a member of the PCA Board, and in addition 29 Dexus team members participated in PCA committees, roundtables and working groups contributing to discussions on topics such as social and environmental sustainability, diversity, and future directions.

As an example, in May 2018, Paul Wall, Head of Group Sustainability and Energy participated in a panel discussion at the PCA's business lunch, Powering Australia: Our Energy Landscape. Other panel members included Dr Kerry Schott AO, Independent Chair, Energy Security Board and Audrey Zibelman, Chief Executive Officer and Managing Director, Australian Energy Market Operator.

Dexus also continued to support the Green Building Council of Australia (GBCA) and during the year became a Carbon Positive partner to the GBCA's Carbon Positive roadmap.

The roadmap clearly outlines the high-level outcomes, actions, targets and policy positions required. These are proposed alongside changes to the GBCA's Green Star rating tool to ensure it helps lead industry through the next decade of transformation.

Stewart Hutcheon, Executive General Manager, Retail and Group Marketing represents Dexus as a Board Member for The Shopping Centre Council of Australia, which advocates on behalf of investors and managers of, shopping centres.

Locally, Dexus actively engaged across forums including local chambers of commerce, The Committee for Sydney, the Committee for Perth, and Brisbane Marketing, contributing to advocacy for initiatives that will positively shape cities and their communities.

During the year, Dexus senior leaders and subject matter experts presented or participated in panel discussions at industry events and conferences, providing views and insights on market trends and sustainability issues.

Topics included the global investment landscape, customer trends, gender equality, evolving technology in our buildings and cities, and environmental issues including climate change.

Childspace wins 'game changer of the year'



It started with an idea submitted in our innovation ideas system, The Funnel, and developed into an industry-first customer initiative known as Childspace.

An innovative partnership with Guardian Early Learning to offer priority access to childcare spaces for Dexus customers and their staff at any of Guardian's 90 centres nationally won the Game Changer of the Year Award at the REA 2017 Excellence Awards.

Childspace is an initiative provided to our customers through Dexus Workspace, our suite of services designed to make customer experiences simple and easy. Through Childspace we offer priority access to childcare spaces to customers in Dexus buildings, supporting an easier transition back to work.

The Dexus-Guardian partnership is a unique agreement that is both innovative and first to market within the commercial property sector.



Leading Cities – Performance data

Market outlook

Broad-based economic growth is supporting positive occupier demand for space across the office and industrial sectors in Australia.

Investment climate

Economic growth experienced across Australian states over the past few years is rebalancing, with Queensland and Western Australia forecast to catch up to Victoria and New South Wales over the next couple of years. While buoyed by infrastructure investment, Victoria and New South Wales may face some headwinds in FY19 and FY20 as weakening housing construction drags on employment growth.

The cost of capital remains low, continuing to support investment demand for real estate. The maintenance of reasonably wide spreads between real estate yields and government bond yields has supported investment activity to date in a maturing pricing cycle. Over time, pricing will be sensitive to a normalisation of interest rate yields, however such rises appear to be some way off.

Industrial markets

The industrial sector is in a growth phase with demand running ahead of supply. Demand is expected to remain solid in the year ahead given population growth and infrastructure investment are supporting economic activity. Sydney, Melbourne, and to a lesser extent Brisbane, are well placed to benefit.

E-commerce is emerging as a significant driver of demand as online sales expand at double digit growth rates, and online retailers and fulfilment providers seek to increase scale.

The outlook for rents is likely to remain positive, particularly in land constrained areas in Sydney and Melbourne. Conditions in Brisbane are expected to continue to improve in the short term as the economy rebounds, while Perth appears to have bottomed.

Office market

The performance of office markets is influenced by the strength of the broader economy and business confidence, the supply and demand characteristics of particular CBD markets and the leasing characteristics of individual properties.

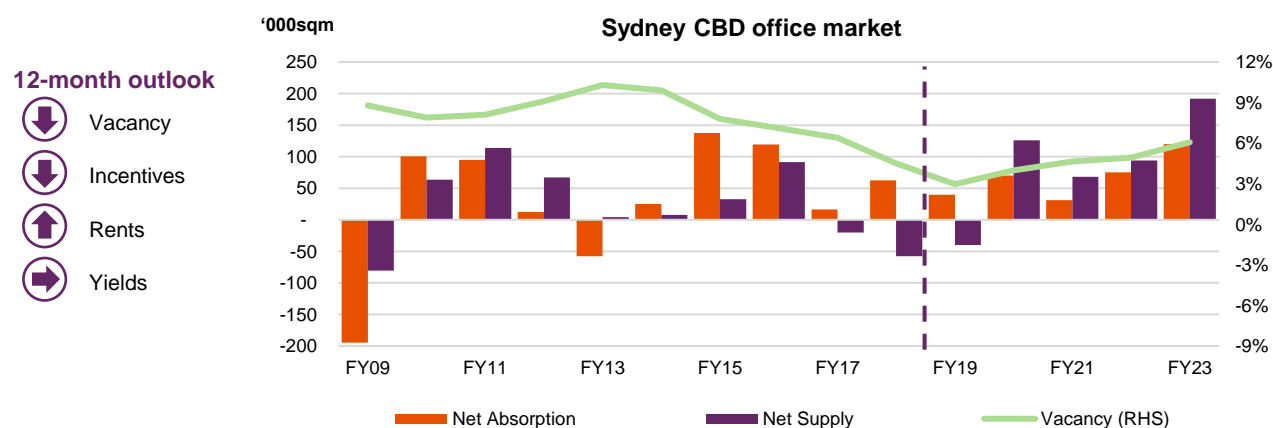
Office markets continue to perform well. Modest levels of supply in Sydney and Melbourne helped push vacancy rates lower to circa 4.5% and we expect further falls with vacancy expected to fall below 3.5% in Sydney in FY19. Perth continued its recovery while the overall Brisbane market showed mild improvement.

The outlook for office demand is positive in the short-term due to solid employment growth and positive business confidence. The outlook is for mild upward pressure on rents in the short term in Sydney and Melbourne, with growth declining on a two to three-year timeframe as new supply materialises.

A key theme for office markets is growth in small office users as service firms shift to more collaborative, outsourced modes of working and the IT sector continues its mini-boom built on mobile applications, big data, fintech and social media.

Sydney CBD

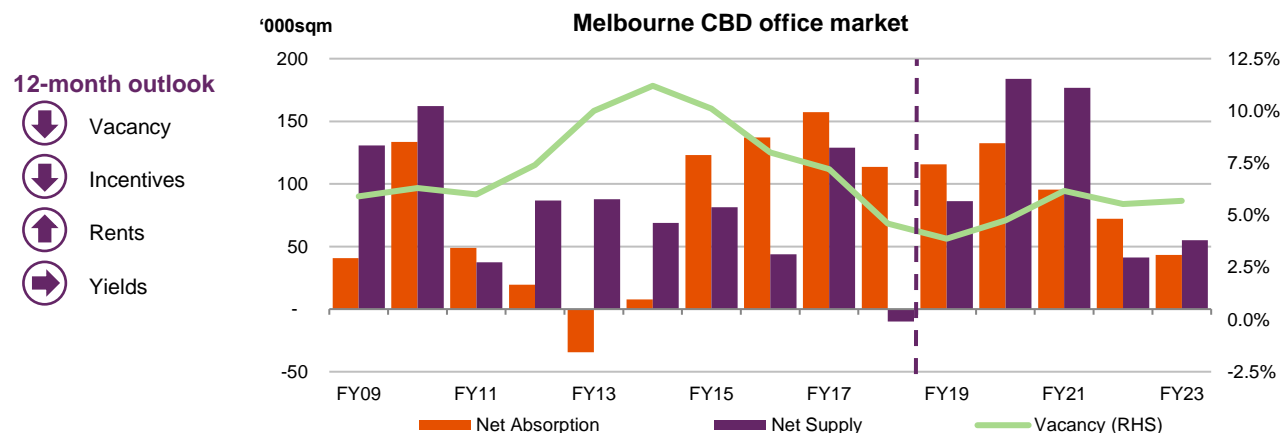
Sydney continues to perform strongly with prime gross effective rents increasing by more than 12% over the past year. The outlook appears favourable in the short term given solid demand and a constrained supply pipeline which will push the vacancy rate lower in the year ahead. Solid demand and low vacancy will support rents over the next 1-2 years with the majority of new supply not expected until FY22-24.





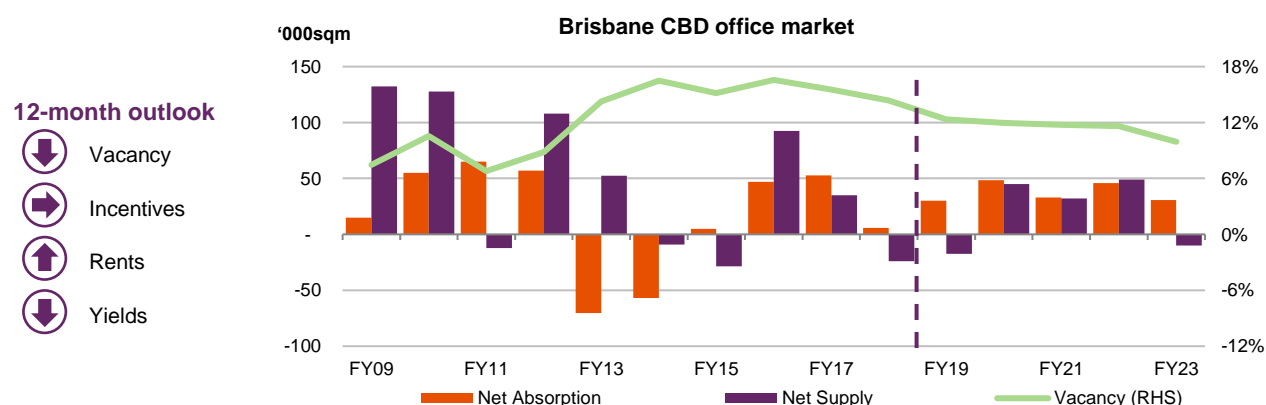
Melbourne CBD

Melbourne is benefiting from economic fundamentals, recording strong net absorption in FY18 which has pushed the vacancy rate lower to 4.6%. In line with improving vacancy, prime net effective rents have increased by more than 12% over the year. Supply is projected to increase in FY19, however, strong demand and solid levels of pre-commitment means that the market is well placed to absorb the new supply.



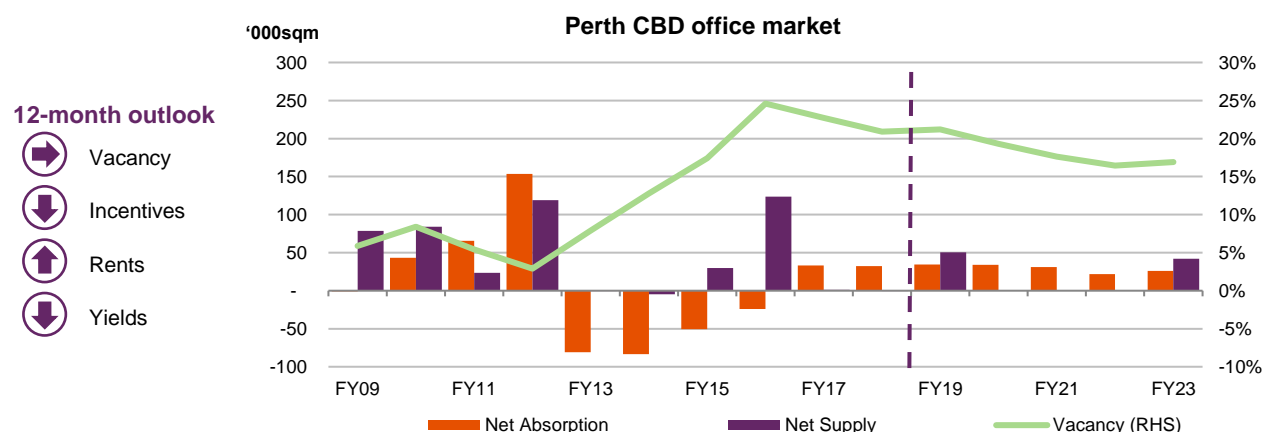
Brisbane CBD

The Brisbane CBD appears to be in recovery mode with another year of mild but positive net absorption in FY18. The total market vacancy rate is 14.4% and Prime Grade vacancy under 10.0%. Speculative supply will keep pressure on rents in the short term, however some mild rental growth is projected in FY19 due to improved demand.



Perth CBD

The Perth market continues to show signs of improvement with demand expanding by over 32,000 square metres in FY18. Solid demand and limited supply has supported a decline in the vacancy rate to 20.9%. Demand is expected to remain positive on improving market conditions and mild rent growth is likely in FY19.



Future enabled customers

Preparing our customers for the future through enabling flexibility, productivity and growth

Being in a Dexus building is a partnership. We listen, to learn and understand our customers to provide them with the best workplace solutions.

Our customer-centric approach aims to build strong, long-term relationships and ultimately drive mutual value.

Our customer service commitment

Our dedication to deliver customer satisfaction and engagement and drive performance, starts with our Customer Promise to:

- Listen, understand and respond to customer needs
- Make things 'simple and easy'
- Innovate to enrich customer experience

These customer promises drive the way in which Dexus operates, contributing to the goal of being a workspace partner of choice.

Enabling our customers

Dexus works closely with customers to improve their sustainability awareness and performance as well as delivering new products and services to improve customer experience and wellbeing.

We have developed a customer experience offering known as Workspace Dexus that has been designed to support our customers' productivity and enhance the engagement of their teams. Workspace Dexus offers a range of

products and services that add value to our customers' businesses, helping them to feel more connected to their workplace by providing convenient and accessible options.

This year, we enhanced Workspace Dexus with the launch of Wellplace to sit alongside other offerings including Childspace, carparking solutions and Dexus Place.

Wellplace caters for the growing wellbeing trend in the workplace, providing a suite of health and wellbeing services and amenities. Read more about Wellplace on page 22.

Engaging with customers

In keeping with our customer promise, we actively work each day to enrich the customer experience, celebrate key events, community causes, or to simply say thank you.

Collaborating to support communities and charities

Across our managed retail portfolio, we have established strong partnership opportunities for new customers.

Across our retail centres, this year we launched a landmark community donations program, 'Big Change for Small Change', to raise funds to support children's health by donating to hospitals and health facilities in the communities associated with each local centre.

We received an outstanding response from our retailers, local community organisations, media partners and suppliers, together contributing over \$380,000 in-kind value.

Delivering FY18 'future enabled customers' commitments

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

Commitment	Status	FY18 achievements
Expand our customer offering to include products and services that enable our customers to respond to the dynamically evolving workplace	☑	Expanded our customer offering with the launch of SuiteX, a new type of flexible workspace, and five new products/services, enabling our customers to respond to an evolving workplace
Create tenant communities within and around our buildings through the implementation of more than 100 initiatives each year across our office portfolio, with experiences focused on wellbeing	☑	Brought together customer communities within and around our buildings through the hosting of more than 700 wellness events with a focus on wellbeing
Adopt smart building technology at the 100 Mount Street, North Sydney development and within office retrofits to create flexible and adaptable buildings that improve the connectivity and experience for our customers	☑	Defined a smart building blueprint for 100 Mount Street, North Sydney and, by establishing key partnerships, implemented technologies that support the new flexible and adaptable workspace product, SuiteX



Retail: QV acknowledges retailer success

Each year QV Melbourne hosts an awards evening to acknowledge reward outstanding performance from retailers over the past 12 months. This year's event was the most successful to date, with over \$4,000 in prizes donated for the evening and almost 100 retailers attending.

The evening helps the team at QV create a sense of community among the retailers and Centre Management, and resulted in an uptake of retailers seeking involvement in upcoming marketing campaigns.



QV Melbourne Retailer Awards

Smithfield Centre opens new Event Cinemas

In September, Smithfield Centre celebrated the completion of Stage One of its \$30 million development that will transform the centre with the addition of a cinema and casual dining precinct.



Smithfield cinema and dining precinct

The new cinema complex provides a long-anticipated boost to the entertainment offerings in Cairns and to the residents of the northern beaches area who currently do not have access to a local cinema.

Working with customers to reduce waste

Australia generates 48 million tonnes of waste per year, placing it as one of the highest waste producers per capita in the world¹. As a manager of more than 130 office and industrial properties across Australia, Dexis investigated recycling opportunities to promote awareness and reduce waste across its portfolio.

Dexis supported the NSW Environment Protection Authority Bin Trim program to encourage businesses to increase recycling and reduce waste costs and embarked on a tenancy Bin Trim waste assessment at over 14 sites in NSW.

At Gateway in Sydney, bin infrastructure was upgraded on all 47 floors utilising a funding grant to help pay for an additional 215 yellow mixed recycling bins.

At 56 Pitt Street in Sydney, customers were provided with free mixed recycling bins and a centralised three bin system was installed in each tenancy.

At 141 Walker Street in North Sydney, all customer tenancies were upgraded to a centralised three bin system and under-the-desk bins were eliminated.

¹Source: coolaustralia.org

Industrial: Regents Park hosts social barbeque

The industrial team at Regents Park hosted a BBQ lunch for customers at the estate, with around 200 attendees enjoying the opportunity to network in the relaxed event.



Customer barbeque at Regents Park Industrial Estate

Office: 480 Queen Street garden party

In September 2017, the customer service team at 480 Queen Street, Brisbane hosted a spring garden party for customers. The city turned on a beautiful afternoon for the event, held at Hobbs Park on level 4.

The party was an opportunity for customers to network and raise money for Daffodil Day and Wear it Purple, with \$500 raised on the day.

Over 100 customers attended the event, enjoying lawn games, live music, and a delicious spread of free food and drinks.

Many took advantage of the sunshine and kicked off their weekend early, listening to the chilled tunes provided by City Sounds.



480 Queen Street garden party

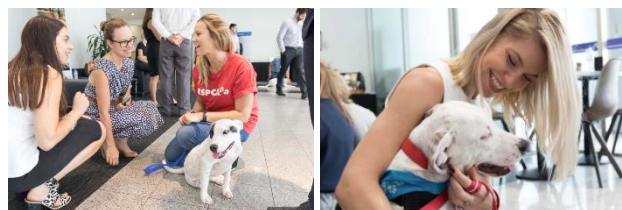
RSPCA comes to visit

In one of our most enjoyable – and successful – community undertakings, we teamed up with RSPCA Australia to assist with its campaign, “Clear the Shelters”, aimed at finding new homes for sheltered animals.

With many shelters over capacity across the nation, we invited the RSPCA to bring rescued puppies to several of our buildings.

In addition to having the opportunity to cuddle up to one of the puppies, customers were also enticed with free gelato at several of the events.

Every puppy brought to our buildings has now been adopted, with the program raising \$3,500 for animal welfare to date.



RSPCA visits Gateway, Sydney



Building in wellbeing

We believe a truly sustainable building not only addresses the environmental impact, but also the social impact on its community. That's why Wellness is an important inclusion in our customer offer.

In our buildings, we consider the health, wellbeing and experience of our customers as a way of impacting organisational culture, engagement and productivity.

Dexus recognises our important role in enhancing the health and wellbeing of our customers, with industry trends towards healthy living and evidence-based research demonstrating the costs of ill-health to corporate productivity.

We have listened to our customers that have identified health and wellbeing as the highest importance to them and their business.

Continuing to build on our momentum in this area, this year we introduced Wellplace to our customers, with the goal of creating healthy, enriched, productive communities.

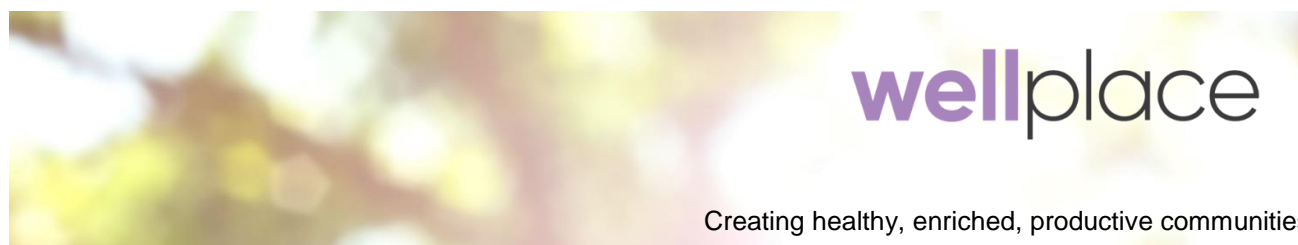
Wellplace provides a suite of health and wellbeing services and amenities within our buildings that can be accessed across our building community portals.

This includes integrating fitness into office life by providing quality end of trip facilities, including bicycle storage and group fitness, yoga and Pilates classes.

We have partnered with Sydney City, F45, A Healthy View and Urban Flow to provide our customers with discounts to memberships and programs.

Wellplace makes it possible for customer of all sizes to offer their employees the same services that have often only been available for large organisations.

In addition, embracing Wellness enables us to attract and retain high quality customers and maximise financial performance through lower vacancy rates and higher rents.



Mind

Recognising that the features of the built environment and access to information can positively affect mood, sleep, stress levels and mental health



Body

Encouraging physical activity, thus helping to combat obesity and other chronic diseases and improve wellbeing



Nutrition

Increasing access to health food options and education on nutrition, enabling people to make more informed dietary choices



Community

Providing opportunities for people to give back, through charitable giving, community engagement, place making and community partnership



Environment

Maximising the occupant wellbeing through a healthy work environment

Wellplace features

Wellplace enhances the health and wellbeing of our customers by providing simple and easy access to a suite of health and wellbeing services, offerings and amenities within the building and across our community building portals.

Health & Fitness Classes

Complimentary boot camp, yoga and Pilates classes

Activate Health Clinics

including nutritional programs, physiotherapy and cooking classes

Onsite amenities

End of trip facilities and wellness rooms

Wellness Vending Machines

filled with bike tools, toiletries and healthy snacks

Wellness Library

Online resources to strengthen mind and body delivered through our community portals

NABERS

Indoor Environment Ratings.





Customer insights

We value our customers' opinions and actively engage to assess customer satisfaction levels, gather feedback on our performance, and gain insights to drive innovation.

Dexus has conducted annual customer surveys since 2013. This year we transitioned to a new survey platform to provide better feedback and improved analytics capabilities.

The aim of this research is to drive customer improvements and monitor the impact of initiatives.

The quality of our customer experience is reflected in our strong customer engagement and feedback results. Our ability to help customers and provide them assistance when they need us most is what drove our strong performance.

Our FY18 annual customer survey was conducted online with over 2,100 customers invited to respond. The overall satisfaction score improved to 8.3 out of 10 across a participation rate of 46%.

Satisfaction scores improved by +0.3 among office customers and +0.2 for industrial customers. The overall Net Promoter Score (NPS) has also seen an improvement (+31 to +32).

Feedback shows that responding to customers is what drives their high levels of satisfaction. Overall, customers rated Dexus highest for acting with integrity and communicating effectively.

In addition, each year we take the opportunity to walk in our customers' shoes, as mystery Shoppers within our buildings. The Mystery Shopper program looks at performance across key public areas to anonymously assess performance across:

- External appearance including façade, entrances and lobbies, and car parks
- Interior areas such in lobbies, foyers, seating areas and elevators
- Interaction with concierge, security and cleaning personnel
- Building facilities including end of trip, bathrooms, and retail tenancies

Detailed insights are gathered which provide valuable, independent feedback to facilities management on the day-to-day experience our customers receive. This years' results were strong, with positive improvement shown at an overall portfolio level.

Simple and easy customer relationships

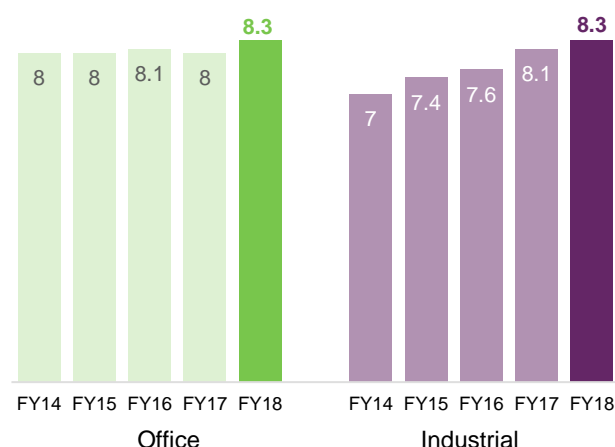
Our 'simple and easy' lease simplifies negotiations and adopts a common-sense approach centred on creating a partnership rather than a confrontational contract.

We have embedded 'green leasing' within our new precedent lease and encourage customers to collaborate with Dexus on integrating sustainability within their buildings.

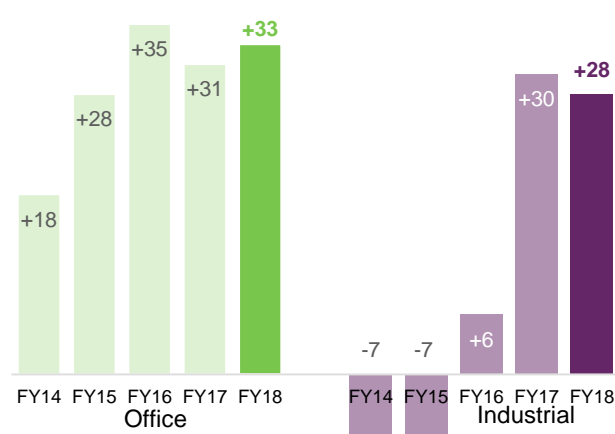
In FY18, 91% of new leases included a green lease clause, an improvement of 7% on the prior year.

Customer engagement statistics

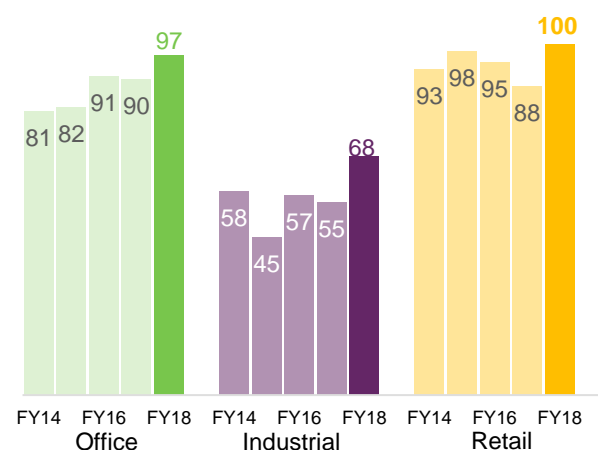
Customer satisfaction (scale from 1 to 10)



Net Promoter Score (NPS) (scale from -100 to +100)



Green lease take up rate across new leases (%)





Creating communities that go beyond the physical space

Technology is impacting the way our customers work. Whether they are small businesses or major corporations, our customers want spaces that support productivity, collaboration and engagement.

Dexus tracks the latest workspace trends and is responding to increasing preferences for 'plug and play' and 'work anywhere' environments. Last year we formed a team dedicated to exploring and adopting innovation in this domain.

Recognising our customers have an increasing desire for flexibility, we've created flexible working solution – SuiteX - with demountable intertenancy walls and shared common spaces.

The fitout has been designed to be highly reusable and can change quickly as customers' space requirements change.

A 'smart building' provides solutions that improve the occupants' quality of life not simply through gadgets or smart devices, but by using carefully selected, efficient and flexible technology. When used well, building technology can both connect and enable its occupants.

We are embedding sophisticated technologies into the fabric of our buildings to not only future proof their performance by improving their quality and long-term appeal, but to create smart buildings of the future.



100 Mount Street, North Sydney, under development

Our smart building blueprint will be rolled out at 100 Mount Street, North Sydney, where we are implementing more than 15 innovative technologies to deliver a better customer experience, optimising workforce productivity and wellbeing, and improving the building's sustainability performance.

Our smart building solutions aim to provide advanced connectivity, including whole building cellular coverage which is future enabled for the arrival of the 5G network.

Data captured through sensors aims to provide rich insights into building performance and enable our customers to tailor their experience by controlling their workspace heating and cooling, or to understand how their space is being used to optimise their own workspace design.

The benefits of new technologies for our customers are wide-ranging.

In our smart buildings, customers will not only be able to enhance the productivity, wellbeing and safety of their employees, they will reduce energy consumption; all advantages that our customers can use to attract and retain talent.

SuiteX evolves flexible working



SuiteX is the next step in evolving Dexus's suites strategy. This new workspace offer aims to satisfy the growing customer demand for flexibility by providing flexibility in both space and tenure.

At 44 Market Street, Sydney, Dexus has converted the space on Level 7 into ten flexible suites.

A unique modular design with demountable inter-tenancy walls, combined with flexible lease terms starting from as short as six months, allow customers to quickly expand or consolidate as needed.

Customers also have access to shared facilities including meeting rooms, quiet rooms and a fully equipped kitchen.

SuiteX enables customers to align their space needs with their business needs, providing a quality workspace which does not require the need for a long-term commitment.

It's a natural extension of Dexus's focus on partnering with customers throughout each step of their property journey.

Dexus keeps abreast of the latest workspace trends and is responding to increasing preferences for 'plug and play' or 'work anywhere' environments.

SuiteX leases start from as short as six months and allow you to grow or retract as needed within the space, with no costly fitout, complex contracts or long terms.

The ten BVN designed suites boast turnkey layouts with demountable modular wall systems, premium furniture by Living Edge, private and bookable meeting rooms, and are available for 6-20+ people in the heart of the Sydney CBD.



Future enabled customers – Performance data

Dexus occupancy and retention

	FY14	FY15	FY16	FY17	FY18
Occupancy by area (%)					
Office	94.3	95.5	96.3	97.0	96.0
Industrial	93.1	91.7	89.3	96.6	95.7
Occupancy by income (%)					
Office	94.6	95.3	96.3	97.2	98.3
Industrial	93.0	92.4	90.4	96.5	98.8
Retention (%)					
Office	61 ¹	61	62	46	54
Industrial	41	53	32	74	48

1. Excludes CPA properties.

Customer satisfaction

	FY14	FY15	FY16	FY17	FY18
Surveyed overall satisfaction with Property Manager (score out of 10)					
Office	8.0	8.0	8.1	8.0	8.3
Industrial	7.0	7.4	7.6	8.1	8.3
Overall average	7.7	7.9	8.0	8.0	8.3
Target	8.0	8.0	8.0	8.0	8.0
Net Promoter Score (score between -100 and +100)					
Office	+18	+28	+35	+31	+33
Industrial	-7	-7	+6	+30	+28
Combined	+10	+23	+28	+31	+32
Survey participation rate (%)					
Office	19	33	41	45	46
Industrial	14	15	28	27	45
Overall average	18	28	37	41	46

Green leases

Take-up of green leases within new lease agreements (%)	FY14	FY15	FY16	FY17	FY18
Office	81	82	91	90	97
Industrial	58	45	57	55	68
Retail	93	98	95	88	100
Total portfolio	87	77	88	84	91

Methodology

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

Strong communities

Nurturing well-connected, prosperous and supported communities in and around our buildings

Investing in communities

We continue to invest in the communities in which we operate. In FY18 we contributed over \$1 million in community investment through employee volunteering programs, in-kind support and corporate donations.

Supporting our major charity partners

During the year we supported a range of not-for-profit charities and community groups through in-kind volunteering and monetary donations, across social issues that align with Dexus, including:

- Family and children's health, via the Sydney Children's Hospital Foundation and The Cancer Council
- Animal welfare, via the RSPCA
- Homeless, via Orange Sky Laundry and the Property Industry Foundation (PIF)
- Environment, via Landcare

In August we celebrated our annual Dexus Diamond Week, with employees across the country lending a hand to sell raffle tickets for our main charity, the Sydney Children's Hospital Foundation, or spending time supporting community groups and charities of their choice.

Sixty of our team members volunteered to sell raffle tickets in our office lobbies, raising \$9,608 for the Sydney Children's Hospital Foundation. Funds raised went towards the Australasian Centre for Personalised Cystic Fibrosis Medicine to fast-track research aimed at finding a cure.

To end the week, some of our Sydney staff attended the Sydney Children's Hospital Foundation premier fundraising Diamond Event. Dexus was a major partner of the event, contributing to the \$605,000 in total raised on the evening.

Continuing our focus on children's health, this year we launched a landmark community fundraising program, 'Big Change for small change'.

Through generous community donations at our retail centres around Australia, we raised over \$50,000 for local hospitals to support a range of paediatric service and children's health care initiatives. Read more in the case study on page 28.

Volunteering and fundraising

Each year we enable our people to contribute to the community through the provision of one day's paid volunteering leave.

In FY18 Dexus volunteered a total of 878 hours with 198 of our people taking part in a volunteering event.

In addition to supporting Dexus Diamond Week and our 'Big Change for small change' campaigns, people across Dexus donated their time to several other community causes.

In Sydney, we partnered with Landcare, with volunteers working with the National Parks and Wildlife Service staff at Bradleys Head in Sydney Harbour National Park, learning about conservation and assisting with weeding and planting of native flora.

For the third year running, the team at QV Melbourne assisted in the garden at the Collingwood Children's Farm, a working farm providing educational, and interactive farm experiences for children.

Our health enthusiasts donated their time by running, cycling, and swimming to support research for cancer across events including the Balmoral Cancer Challenge, Balmoral Burn and PIF's Chain Reaction ride.

Delivering FY18 'strong communities' commitments

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

Commitment	Status	FY18 achievements
Extend our contribution to the community by introducing a nationwide community program across 10 managed shopping centres to raise funds for local children's health services/hospitals	☑	Expanded our contribution to the community through the nationwide <i>Big Change for small change</i> charity event, raising substantial funds for children's health services
Update our assessment of supply chain risks and incorporate within procurement and monitoring processes relating to our supply chain partners	☑	Completed a review of our supply chain practices by working with key procurement stakeholders to help further align CR&S requirements and ambitions into procurement activities



Volunteers lending a hand at Foodbank, providing hunger relief



Volunteers assisting Landcare at Bradleys Head in Sydney



Volunteers assisting the Oasis drop-in centre with lunch preparation and service during Dexus Diamond Week

In December, staff at 10 Eagle Street and 12 Creek Street in Brisbane teamed up with Foodbank Queensland to conduct a "12 Days of Christmas Foodbank Can Drive".

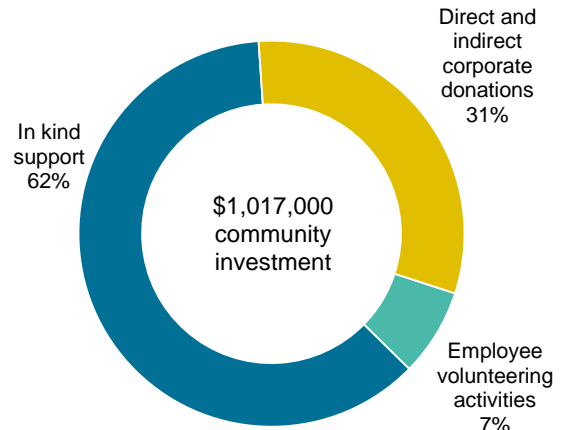
Dexus provided all participating customers a personalised Santa sack to fill over 12 business days. Cans and non-perishable items were donated to Foodbank to give to those in need.

Customers filled their sacks many times over in an amazing show of generosity. On top of this, we also received over \$1,000 in cash donations.

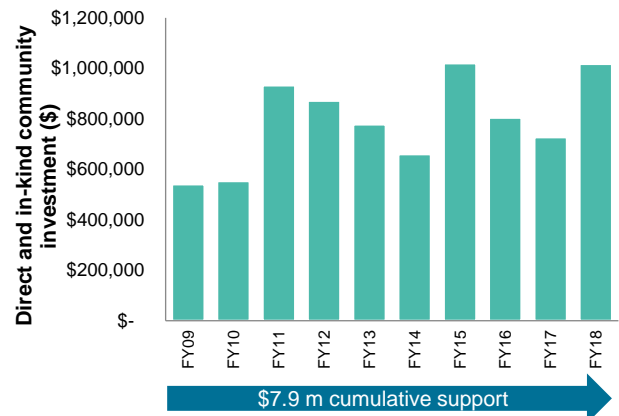
Sharing the Christmas spirit, we held our annual Christmas auction in which corporate gifts are donated by staff for internal auction, with over \$7,000 raised for the Sydney Children's Hospital.

Community investment statistics

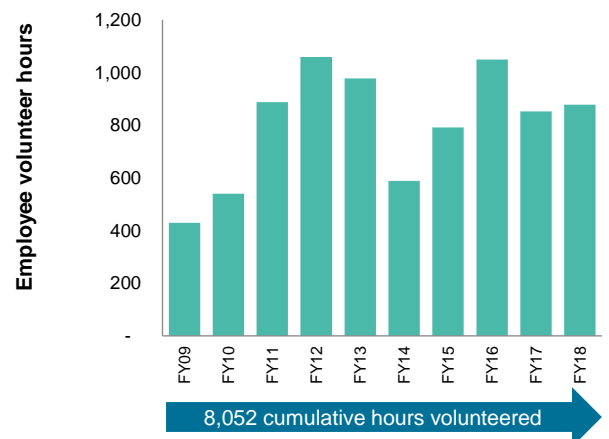
FY18 community investment



Financial value of donations, volunteering and in-kind support



Employee volunteering





Creating a sense of community from an early age



480 Queen Street in Brisbane partnered with Foodbank, Australia's largest hunger relief organisation, to help their efforts in Queensland.

Dexus engaged with customers at 480 Queen Street including our littlest from Guardian Early Learning, who enthusiastically lent a hand delivering what they had collected to concierge.

Non-perishable food and long-life products as well as cash donations were collected through Concierge and included pasta, rice, tins of soup, tea and honey.

Customers including HWL Ebsworth Lawyers, BHP, PwC Australia, Guardian Early Learning and First Class Fitness lent their support to Foodbank.

Beauty with a purpose: flower charity auctions



Dexus has found a way to re-purpose the flower arrangements it displays in the foyers of its office buildings.

Every Friday the flower arrangements from the concierge desks in Dexus office buildings are placed in a building community auction, with all proceeds going to nominated charities around Australia.

Leveraging the Workspace Dexus online portals, customers within each building are invited to bid.

Across the year customers in more than 20 Dexus managed properties raised over \$42,000. Proceeds were donated to support charities including local children's hospitals, The Cancer Council, and Orange Sky Laundry – a laundry service for people living rough.

'Big Change for small change' making a difference to the lives of sick children



In what is believed to be a first for an Australian property group, Dexus managed shopping centres raised funds to support the lives of young families and children by supporting local hospitals and children's wards in their local communities.

The 'Big Change for small change' campaign was rolled out across 10 Dexus retail centres in September 2017, with each centre hosting a one-day community event.

Each centre was transformed for Big Change for small change with special offers from retailers and a program of free entertainment and community events.

There was an outstanding response from our partners and stakeholders including retailers, local community groups, and suppliers, together contributing over \$380,000 in-kind value.

A volunteer network of 398 people supported the collection of donations on the day including Rotary, Apex, Lions Clubs, Surf Lifesaving Club, Childcare Groups, Schools, Specsavers and the Commonwealth Bank.

Dexus centre	Partner hospital
Smithfield Centre, Cairns	Far North Queensland Hospital Fund
Willows Centre, Townsville	Townsville Hospital Foundation
Tweed City Shopping Centre	Tweed Heads Hospital
Beenleigh Marketplace	Logan Hospital
Deepwater Plaza Woy Woy	Gosford and Wyong Hospitals
Plumpton Marketplace	Mount Druitt Hospital
Sturt Mall, Wagga Wagga	Wagga Wagga Rural Referral Hospital
Shepparton Marketplace	GV Health Hospital
QV Melbourne	Royal Children's Hospital
Carillon City, Perth	Perth Children's Hospital

Big Change for small change captured the hearts and minds of each local trade area, with the very best in community support on display at each participating shopping centre.

Over \$50,000 was raised towards local hospitals, supporting a range of paediatric services and children's health care initiatives, such as the revitalisation of a children's garden in Mount Druitt Hospital through to the purchase of a new electronic bed for the children's ward at GV Health Hospital, in Shepparton.

The response from our retailers, local community organisations and media partners has been overwhelming. Our focus at Dexus is to deliver localised retail experiences through our centres every day, and with the support of our local community partners, we aim to create big change for small change.

Ben Hughes, National Retail Marketing Manager, Dexus



Ethical supply chain sourcing

Our products and services suppliers form another important community for Dexus.

We completed an assessment of our supply chain risks to understand the inherent upstream environmental, social and governance risk 'hot spots' across the product categories within our property life cycle.

In addition, we commenced additional due diligence activities to assess modern slavery risks across our supply chain.

Following this, we are piloting enhancements to how we integrate management of environmental and social sustainability issues into our procurement and supply chain monitoring project lifecycle.

Sustainable procurement

FY18 procurement activity focused on securing energy supply with new contracts across the national electricity market (NEM) and the separate Western Australia market.

For NSW, ACT and Victorian properties, we adopted a progressive purchase structure for FY20 & FY21 to introduce flexibility in timing of electricity purchases to access market price declines.

We also renewed our small market natural gas supply, leveraging our scale to access best market rates to deliver a forecast \$422,000 reduction in operating costs, in conjunction with a fuel switching initiative at 123 Albert Street, Brisbane.

Integrated Service Providers deliver capital works efficiencies

Dexus has implemented an Integrated Service Provider (ISP) project partnering strategy for capital projects relating to periodic on-floor landlord and building relevance works.

We aim to facilitate shorter construction programs and eliminate procurement inefficiencies to both Dexus and contractors due to excessive tendering and negotiations on repeated projects offering similar scopes.

The ISP model is a partnership with innovative contractors across a precinct of buildings, applying a collaborative commercial arrangement for design and construction services. Typical scopes of work include commercial office demolition and on-floor refurbishment services, landlord's works, floor splits and office suite strategies, and other minor projects.

Pre-approved contractors are appointed as an ISP to undertake landlord and building relevance works across a precinct of buildings.

ISPs are engaged on long-term contracts adopting a pre-agreed rate schedule with the ability to extend based on successful performance.

Each project or proportion of works is undertaken in accordance with a master ISP building works contract, and specified via a streamlined work order approach, which details the project work, practical completion date and defects liability period.

Through this strategy, Dexus is progressively procuring suitable partners across multiple building precincts, to reduce delivery costs, achieve quicker project delivery timeframes, and streamline management.

In Western Australia, we renegotiated electricity and natural gas supplies, adding newly acquired and co-owned properties to increase our scale, delivering forecast reductions of \$730,000.

During the year we initiated a new strategy for delivering capital works across office properties, adopting a 'single select' approach with a preferred Integrated Service Provider, reducing delivery costs and project timeframes. Refer to the adjacent case study for further details.

In addition, we sourced a strategic partner to deliver 'virtual engineer' building analytics across our managed retail portfolio, expanding on the analytics capability we already have across the office portfolio.

Supplier screening

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.

We screen suppliers on their sustainability track record and management systems during the procurement process. We informally collect data from external sources to assist with validating suppliers' credentials with regard to impact on the environment, society and how they manage their staff.

During FY18 we reviewed our preferred supplier panel, resulting in minor adjustments. Through our tender evaluation scoring process, we screened potential suppliers across economic and business criteria as well as environmental and social sustainability practices including alignment of corporate culture, and their track record for workplace health and safety.

Dexus is committed to working with contractors and service providers who maintain the highest ethical, safety and quality standards.

As part of this commitment, we have developed an Embargo Policy which formalises our approach for identifying contractors and service providers for which we have no appetite to deal with.

We now maintain an ongoing Embargo List of suppliers that fail to meet Dexus's business, safety or ethical behaviour requirements and will not engage with that contractor or service provider until the issues of concern have been appropriately addressed.

Engaging with suppliers

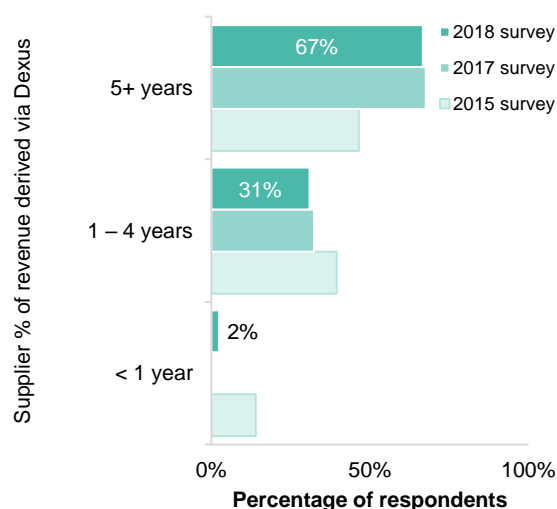
Throughout FY18 Dexus continued to engage with suppliers via regular meetings and reporting and conducted over 1,100 inspections/spot checks to review service delivery, monitor performance against contract deliverables and key performance indicators.

Through our 2018 supply chain self-assessment, we engaged with our preferred supplier panel members and other critical suppliers to understand their approaches to the issues to evaluate the effectiveness of our sustainable procurement policies and supplier relationship management practices.

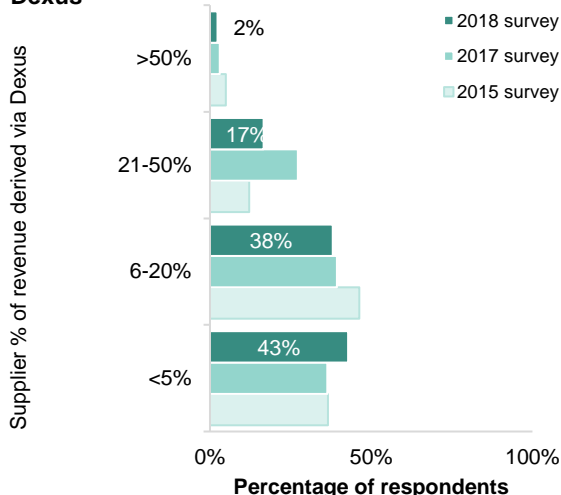


Supply chain engagement statistics

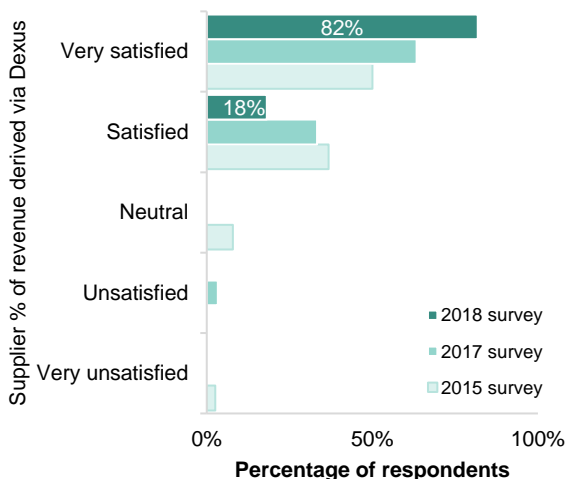
Length of supplier relationship



Supplier financial dependence on Dexus



Supplier satisfaction rating of our relationship



The survey comprised 35 key suppliers representing approximately 32% of Dexus's non-statutory supply chain spend. A comprehensive insight into their relationship with Dexus was sought through 360-degree feedback on how they manage their own sustainability risks and those for their most significant suppliers.

The feedback confirms that Dexus is embedding deeper, longer term relationships with suppliers. From the survey responses, two-thirds of suppliers indicated a relationship with Dexus of five years or more, with a further 31% maintaining a relationship of between one and four years.

Supplier satisfaction with their Dexus relationship continues to improve, with 82% indicating they are very satisfied with their relationship.

Suppliers told us that they are most satisfied with how we communicate, the assignment of roles and responsibilities and our ability to address delivery issues. Areas for improvement include enhancing supplier training, including how we articulate our sustainability goals within projects, and feedback mechanisms.

In other feedback, 94% of respondents strongly viewed their business as a valued Dexus partner, and 85% strongly agreed that Dexus is a fair company to conduct business with.

To read more about our procurement and supply due diligence and assessment practices, refer to the [Supply Chain](#) disclosure of management approach.

Tackling supply chain sustainability risks

In this year's supplier self-assessment, we queried our partners on two key topics – modern slavery and climate change.

Taking action on modern slavery

Following the United Kingdom's lead, Australia's Commonwealth and New South Wales governments are introducing legislation to combat modern slavery, which comprises practices such as human trafficking, slavery, forced labour, child labour and slavery-like practices.

Dexus will be obligated under proposed thresholds in NSW and Federal Acts and will be required to prepare an annual Modern Slavery Statement within six months from the end of their financial year.

Annual Modern Slavery Statements are likely to include the following mandatory criteria:

1. Business structure, operations and supply chains
2. Potential modern slavery risks present in the entity's operations and supply chains
3. Actions taken to address these risks
4. Reporting on how businesses assess the effectiveness of their actions

Aside from reporting obligations as a procurer of goods and services across our own supply chain, Dexus is also a supply chain partner for customers and investors, and we anticipate further downstream engagement on how we are tackling this issue.



Dexus is collaborating with industry peers via the Property Council of Australia to co-create and pilot a common modern slavery due diligence questionnaire for suppliers to provide information on their labour management practices.

A common approach will reduce the reporting burden on suppliers and reduce compliance costs for Dexus and other pilot organisations. We expect the platform to be available from early 2019.

This follows due diligence conducted over the year on our own supply chain to identify, evaluate and control supply chain risks.

Within our 2018 supplier assessment, we learned from 14 key suppliers representing almost 20% of our supply chain spend that they will have direct modern slavery reporting obligations. Most suppliers stated they are aware of the legislation and believed they are well positioned or ready to comply.

This will assist Dexus to work collaboratively to investigate beyond our direct suppliers, as we work to trace our supply chain back to source inputs where possible.

We continue to monitor suppliers' 'country of origin' and have identified a minor number of suppliers that have disclosed that they operate in, or that procure products and services, from countries with poor human rights policies or track record. Suppliers agreed that international supply chains present the greatest risk of modern slavery.

As the chart opposite shows, capital works and cleaning remain a key focus for Dexus due to their large spend, extensive migrant labour, use of sub-contractors and product sourcing. In line with our commitment to outcomes-based reporting, we are increasing our scrutiny of cleaners' waste handling practices and downstream waste processing.

For further information refer to Dexus's [Supply Chain Disclosure of Management Approach](#).

Assessing climate change hotspots

Building on our focus on energy and climate, we have reviewed climate-change related risks across our suppliers.

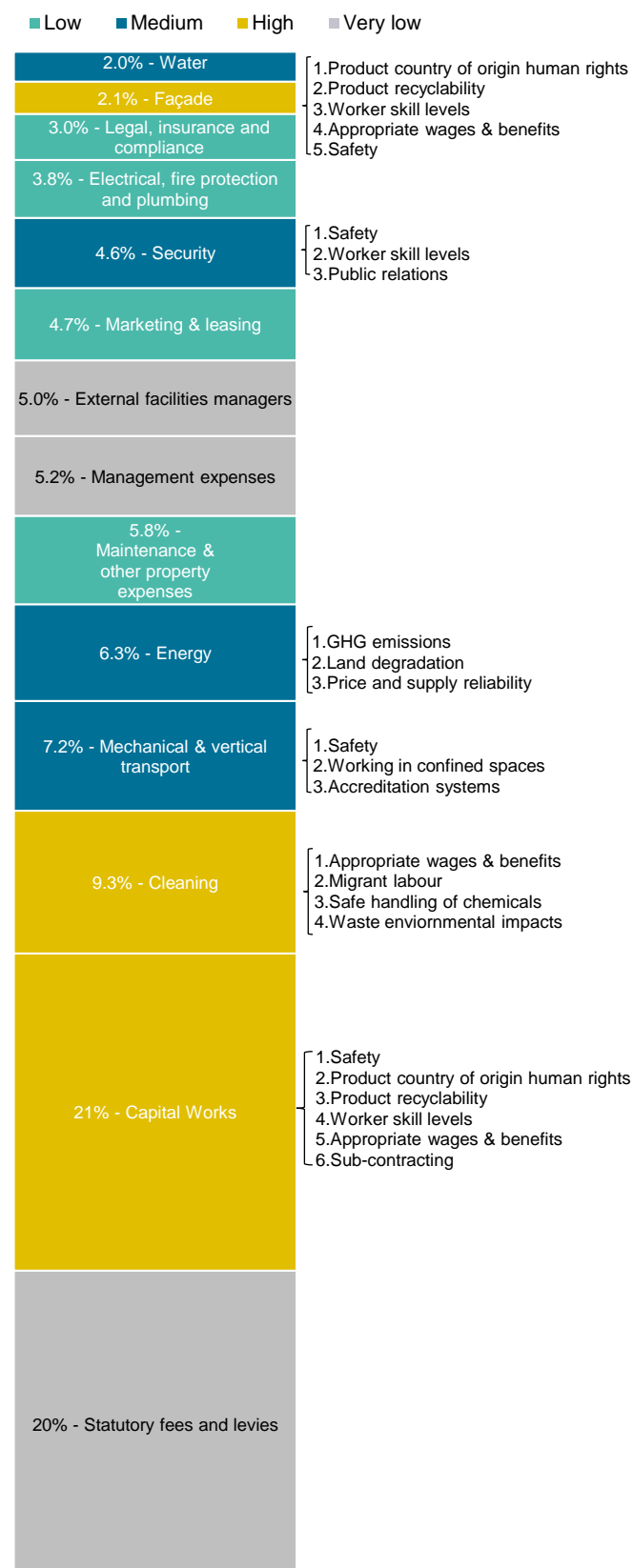
Access to reliable, affordable energy remains a high priority, and water scarcity has emerged as a risk, most notably by Red Energy to generate hydroelectricity.

Service providers also highlighted chronic climate-related impacts of temperature increase and extreme heat, which will lead to adverse health impacts.

Larger service providers in the areas of energy, cleaning, construction and facilities management have established plans to reduce their vulnerability to the impacts of climate change.

Suppliers are also investing to leverage climate-related opportunities through new products and services that will benefit Dexus's goals to achieve net zero emissions by 2030.

Operational supply chain spend by category and environmental and social risk rating





Strong communities – Performance data

Volunteering and donations

	FY14	FY15	FY16	FY17	FY18
Equivalent funds donated or raised					
Corporate donations (\$)	139,344	241,053	180,842	214,052	296,078
Employee volunteering activities (\$)	50,044	65,806	89,779	75,191	74,858
In-kind support (\$)	470,055	712,295	532,646	437,258	626,596
Total (\$)	659,444	1,019,154	803,268	726,501	997,532
Hours volunteered					
Dexus volunteering program (hours)	589	792	1,049	853	878

Commentary and methodology

Charitable donations: Activities comprise:

- Financial contributions to nominated charities
- Direct financial contributions to nominated charities and not-for-profit organisations plus proceeds from through fundraising events held by charitable organisations within Dexus-managed buildings and shopping centres
- Community sponsorships, advertising and promotions
- A dollar-for-dollar matching program
- The value of goods purchased for charity events and appeals

In-kind support: Dexus offers in-kind support to not-for-profit organisations or community groups to support their cause/fundraising activities and includes the provision of goods or services and the value of space provided in the building at no charge.

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

Supply chain

Procurement and supply chain monitoring	FY15	FY16	FY17	FY18
Critical suppliers	-	131	113	111
Critical suppliers % of operational spend (%)	-	37	42	45
Supplier Net Promoter Score	-	-	-	+67
Supplier assessment and monitoring				
Supplier engagement assessment response rate (%)	22	-	38	35
Assessment coverage of operational spend (%)	-	19	14	26
Contractor monitoring spot checks conducted	-	44 ¹	919	1,190
Contractor monitoring coverage of operational spend (%)	-	13 ¹	36	39

¹ tracking commenced during reporting year

Commentary and methodology

Dexus defines a critical supplier as one whose services are required daily for the normal operation of a building. Critical suppliers are retained on a centralised Preferred Supplier List.

Thriving people

Enhancing the wellbeing of our people

Prioritising our people

Our people are at the foundation of everything we do, and we are proud of our employee programs that make Dexus a great place to work.

Dexus is committed to building a unique culture and set of organisational and people capabilities that differentiates us. Our workplace goals are to:

1. Develop a high-performing and constructive culture, built on respect, openness and transparency which supports diversity of opinion and values including acting honestly, ethically and with integrity
2. Provide a safe and enjoyable workplace where people are engaged, learning and thriving, and recognised and rewarded for their achievements
3. Enhance our reputation through our people and leverage their talents to deliver sustained value

This year we celebrated several performance outcomes and received great feedback on our success, including:

- Achieving our safety commitment
- Continuing deliver gender pay equity in like-for-like roles
- Improved employee engagement
- Setting a new 40:40:20 gender representation target
- Building the capacity of our future leaders

Delivering FY18 'thriving people' commitments

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

Commitment	Status	FY18 achievements
Continue to build a safe, healthy, inclusive and diverse workplace	☑	Achieved average audit score of 97%, while demonstrating commitment to safety through introduction of employee safety awards. Recent survey shows 94% of our employees agree that senior leadership is clearly committed to safety.
	☑	Executed a number of wellbeing initiatives including five for wellbeing month. In our most recent employee engagement survey, 85% of our people said they feel included at Dexus, while 91% of Dexus employees agree they are provided with sufficient flexibility to meet their outside work needs.
Invest in the capability of our leaders and teams to create a high performing culture	☑	Leadership development diagnostics were completed for 34 leaders and managers across the business including a support program for managers in regional areas. Implemented culture building programs and launched a new internal communications channel to better engage and connect.

Understanding the pulse of our people

Listening is the first step towards these goals. To Dexus, feedback is invaluable in helping us to build a workplace environment where each one of us can grow and flourish, take pride in our work, and have fun along the way.

During the year we administered an employee engagement survey to gather feedback on how we work together and how we get things done.

Dexus achieved an 87% employee engagement score, a 3% improvement on the previous survey, with over 80% of employees providing feedback.

This continues our strong trend of positive employee sentiment measured over the last six years.

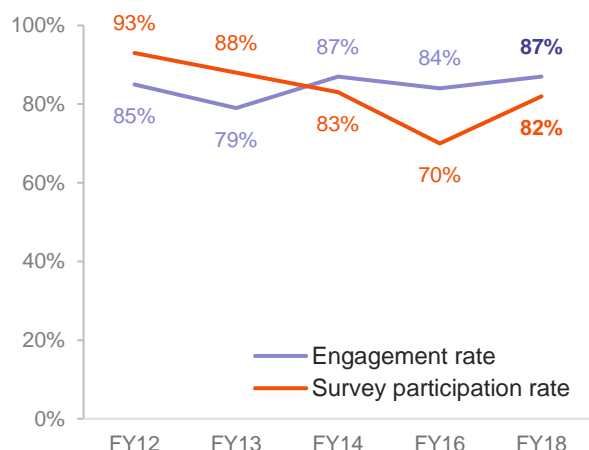
Our feedback told us that we are great at encouraging input for opinions, ideas and new ways to innovate, with 85% of our people said they feel included at Dexus.

Further, 91% of Dexus employees agreed they are provided with sufficient flexibility to meet their outside work needs, up from 72% in 2016 before the introduction of the All People Flex Policy.

Initiatives to support employees with caring responsibilities have helped to improve return to work rates, with 89% retained following carers leave in 2017, compared to 78% in 2016.



Employee engagement



Raising awareness of our Parental Leave Policy terms has also increased male uptake. In 2018, 20% of primary carers at Dexus were men, compared with 0% in 2016.

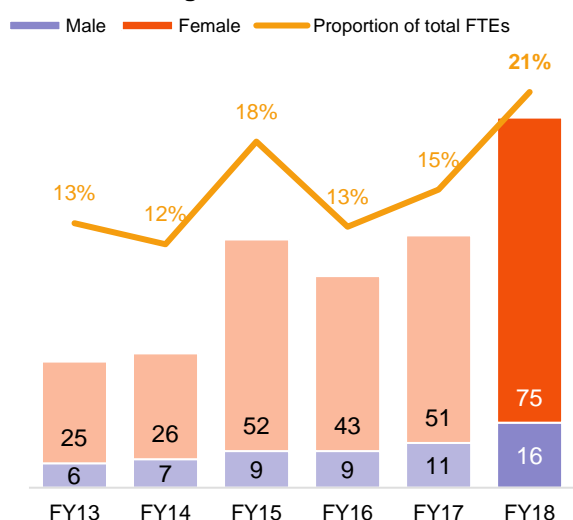
Employees also let us know that we could further improve how we empower and support working teams to thrive through feedback and connection to our overall business goals.

During the year we launched a new internal communications channel and online recognition forum, #chatdexus, to better engage and connect our teams and to celebrate daily achievements.

Flexibility

Underpinning our commitment to workplace gender equality are formal policies including Dexus's My Personal Flexibility Plan, which gives each employee the flexibility to choose their place of work that best supports their productivity, and records employees' flexibility goals in their individual annual performance scorecards.

Flexible working



This year there was a 6% uplift in employees engaging in flexible work, and in FY18 21% of Dexus employees were engaged in some form of flexible work arrangement.

Achieving balance through diversity and flexibility

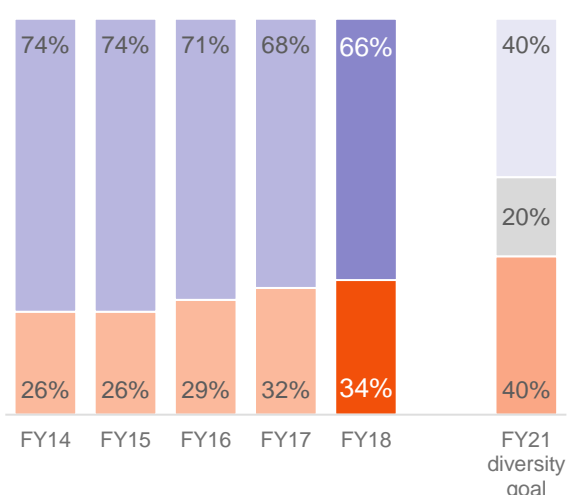
Having a diverse and inclusive culture is a focus of the Dexus Board and the Group Management Committee. This is supported by regular employee surveys and other reports that provide data on engagement levels and organisational culture.

Since reaching our initial gender diversity target of 33% female representation, this year Dexus announced a new 40:40:20 gender equality target by 2021, through which we are aiming to achieve 40% female representation, 40% male representation and 20% of either male or female representation across senior manager roles and above.

As the chart below shows, we are progressively moving towards achieving gender balance by 2021.

Senior leaders: momentum towards gender balance

■ Female senior managers ■ Male senior managers



We continued to champion gender equality with our CEO actively involved in the Property Male Champions of Change program.

In March, we celebrated International Women's Day with a powerful and thought-provoking presentation by the Hon. Nicola Roxon, the most recent Director appointed to the Board. During the presentation, Ms Roxon offered her personal tips for how to support gender equality.

At Dexus, the principle of equal pay for equal work is now in place, ensuring males and females receive the same remuneration opportunities and outcomes for doing the same work. In FY18 we maintained gender pay equity in like-for-like roles.

Diversity across generations and cultures

Building on this momentum, we are broadening the conversation to incorporate other forms of diversity.

Dexus views diversity across generations as an important area of focus within our diversity strategy, enabling better decision-making through different experiences being brought to bear.

The majority of Dexus employees fall within the age bracket of between 30-40 years and when compared with



the Australian workforce as a whole, highlights opportunities to enhance diversity to realise the benefits from having a stronger representation of both Millennials and older workers.

Young Millennials are an increasing part of the Australian workforce and bring with them a fresh perspective, enthusiasm and new ideas.

With five decades of practice in social skills, older workers bring greater life experience to draw upon when settling into a new work culture including self-confidence.

To take us on this journey, Dexus is:

- Fostering discussions through social events focused on diversity across generations
- Reviewing policies and practices to address unconscious bias in the workplace
- Updating inclusive leadership training to include a focus on age
- Including age, ethnicity and cultural identity in diversity reporting to the Group Management Committee and the Board

We celebrated NAIDOC week hosting events across the country, recognising the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. As part of the celebrations, employees donated preloved books in support of the Australian Literacy & Numeracy Foundation's (ALNF) and Share-A-Book program to benefit indigenous, refugee and marginalised communities in need.

In March, we celebrated our diverse culture through Harmony Day, hosting self-catered morning teas with employees sharing their own cultural dishes in each office.

A thriving workplace

Continuing a culture of safe working

Dexus's FY18 Group Scorecard targeted health and safety as a priority through a commitment to maintain a safety culture across our business. Our goal is a 'no harm', safe work environment, with zero fatalities, and in FY18 we recorded zero fatalities and one injury that resulted in lost-time from work.

Throughout the year we continued to successfully implement our work health and safety system, which is certified under OHSAS 18001.

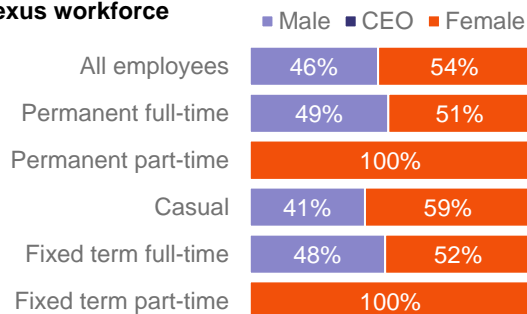
Led by our Work Health Safety and Environment Committee, Dexus achieved an average safety audit score of 97% across our sites. We also introduced a regular employee Safety Award, to recognise employees that demonstrate our commitment to safety.

From a group perspective, we engaged with employees to gain direct feedback on our safety culture as part of our employee engagement survey.

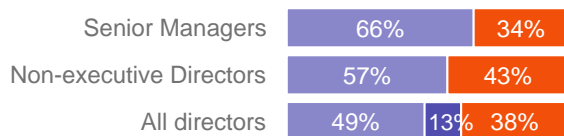
Our survey results highlighted that Dexus's commitment to a safety culture is strongly sponsored by senior leadership, with 94% of employees agreeing that senior leadership is clearly committed to safety in the workplace, and 98% of Dexus employees would recommend Dexus as a safe place to work.

FY18 workforce statistics

Dexus workforce



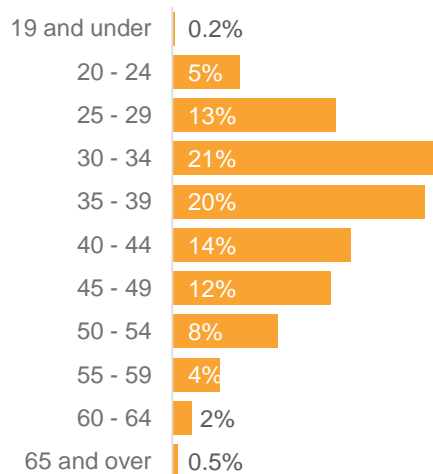
Senior leaders



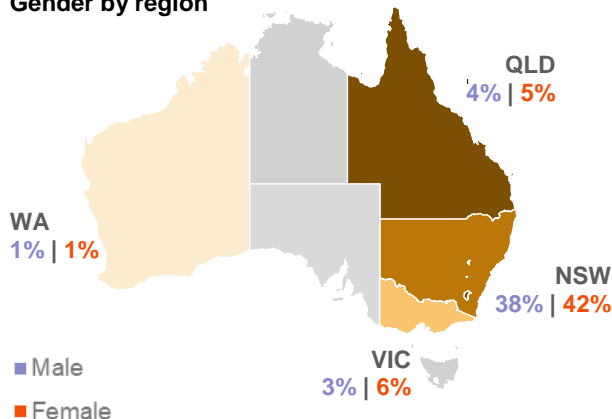
Diversity goal



Age diversity



Gender by region





Spotlight on Kane Harding

Dexus's heightened focus on wellbeing made a true difference to the Centre Manager at Sturt Mall.

Kane Harding was one of many employees that opted for a voluntary skin check sponsored by Dexus. During the examination, the doctor noticed an abnormality with one of Kane's skin blemishes.

After further analysis, Kane was informed the sample had tested as malignant and required removal.

Through the Dexus skin check initiative, Kane was fortunate to detect an early stage cancer and his doctor was able to successfully remove it all.

"Without the skin check it most likely would have spread. My family and I are extremely thankful to Dexus for their focus on our wellbeing."

Kane Harding, Centre Manager, Sturt Mall

Health and wellbeing

We believe a high performing workforce is one that leaves its workplace healthier than when they arrived.

For this reason, we invested in multiple initiatives throughout the year to encourage our people to enhance their personal wellbeing.

This year, we dedicated the whole month of May 2018 to wellbeing, providing a range of offerings for our staff to improve their mental, physical, social and financial wellbeing.

Wellbeing Month was an enormous success with several key initiatives delivered across the business, including:

- Flu vaccinations, 171 flu shots nationally
- Skin checks, 75 national skin checks
- St John's First Aid training, 18 completed 1-day course which will add to our internal First Aid officers
- Resilience Lunch and Learn sessions

Shining a light on mental resilience, in conjunction with RU OK Day, we encouraged employees to 'check in' and ask RU OK? Our Employee Assistance Program offers additional support to employees and their families who are facing a tough time.

Fostering a high-performing culture

We recognise that learning and development is a continual process and from feedback we know that our employees are always eager for further opportunities to receive training and improve their personal and professional skills.

At Dexus we take a blended learning approach, seeking the best learning comes from a variety of methods:

1. Experience - learning through doing
2. Exposure - learning through others
3. Education - formal learning such as classroom sessions and online learning

Investing in our current and future talent

During the year, leadership development diagnostics were completed for 34 leaders and managers across the business. This involved a detailed review of their leadership style through a Leadership Styles Inventory (LSI), psychometric assessment, role play exercises, and executive interviews to identify areas for personal development towards our preferred constructive culture.

In addition, we conducted broader LSI culture assessments across groups of leaders, their superiors and subordinates to build constructive behaviours in their personal and professional lives.

In FY18 we launched a new Leadership Academy for 17 aspiring senior managers. The 12-month program provides support to middle managers in learning about themselves, their personal impact on their team and to Dexus.

Through a series of modules and coaching, they receive support on how to manage collaboratively across the business to become a more effective Dexus leader.

We have also enhanced how we measure our investment in training programs. Building on established processes to assess participants' reaction to, and perceived learning from training they receive, we are embedding higher levels of assessment to measure and analyse the resulting behaviour changes and business impacts in line with full adoption of the industry standard Kirkpatrick evaluation model approach.

In addition, we launched a video-conference-based coaching program through which executive-level coaches support our regional employees who have historically found it challenging to participate in ongoing face-to-face programs.

100 Mount Street inspiring budding female engineers

STEM (Science, Technology, Engineering and Math) industries are vital to Australia's economic growth however there are two persistent problems that stand in the way of progress - a lack of creativity in the curriculum and the fact that women are significantly under-represented in STEM education.

Together with Laing O'Rourke, Dexus is aiming to tackle both problems with the launch of Inspiring STEM+.

Using our development at 100 Mount Street, North Sydney as a live example, high school students from Monte Sant'Angelo Mercy College are being immersed into the construction and engineering industry.

The project provides over 40 enrolled students the opportunity to experience the engineering and construction industry, referencing 100 Mount Street as a real-life case study example.

The course learning module has been developed to focus on asset management and property investment, with the aim of inspiring students to consider a tertiary degree in property.

Through the course, students discussed a wide-range of topics including construction practices, materials use, and incorporating environmental performance and wellbeing.



We also continued to offer employees extended technical training through our partnership with the Property Council of Australia, which offers a wide range of property-specific courses and learning pathways.

The Dexus Graduate Program offers a range of innovative and tailored opportunities for emerging professionals in finance, funds management, property development, investment management, and business innovation.

Graduates receive invaluable mentoring from senior Dexus employees as they complete set rotations across core functions of the business.

This year we received approximately 300 applications to join Dexus's 2019 Graduate Program, from which eleven were invited to Dexus for a fun, interactive day engaging with Dexus leaders and learning about a career in property.

Four outstanding candidates were selected from the high-quality field, and Dexus will welcome them on board in February 2019.

Wellbeing communities

Dexus wellbeing communities bring together employees across the business to identify and implement initiatives that help all employees to *give, grow and thrive*.

Into their second year, these communities continue to support and amplify the implementation of initiatives based on active engagement across Dexus. Achievements during the year include:

- Organising a 'Dress for success' clothing drive with staff donating professional apparel including business suits, jackets/pants, skirts and footwear to Dress for Success Sydney
- Championing employee volunteering for Dexus Diamond Week, in support of the Sydney Children's Hospital
- Hosting workplace social events, trivia nights and our annual Kids' Christmas party, with Dexus families enjoying craft, balloons, lots of goodies and a visit from Santa

Introducing flexibility and wellbeing into employee rewards

Last year the Employee Benefits and Recognition wellbeing community conducted surveys to understand what motivates our people and what they value.

The feedback was compelling – our people told us they valued time, flexibility, health and wellbeing.

In FY18 we introduced two new benefits; the Wellbeing Subsidy and five Dexus Days. Dexus Days can be used for any purpose and are intended to help our employees balance work and life.

The new Wellbeing Subsidy provides all employees an additional monthly contribution towards wellbeing activities such as gym memberships, massages or hobbies.

These initiatives are provided in addition to a host of other great benefits already provided by Dexus as we work towards being an employer of choice.

Innovating for business excellence

Dexus champions innovation and problem solving to make things simpler and easier for our customers and for its people.

Led by the Business Excellence team, Dexus adopts a business excellence strategy to build capability and drive behaviour towards new ideas and process improvements that deliver productivity results and value.

In addition to economic benefits, developing business excellence empowers employees with enhanced skills to make change happen.

With the assistance of The Beanstalk Factory, Dexus held an innovative thinking 'hack-a-thon' – Breaking Blue – a team-based competition where seven teams within Dexus collaborated to develop and pitch their newest idea to re-imagine Dexus or the property sector.

Through a series of thought-provoking, fun and engaging activities, teams learned how to think differently and develop ideas into something tangible and exciting.

The process was rewarding with seven unique ideas developed for future consideration and potential implementation across Dexus.

Recognition

In September 2017, Dexus was recognised at the Australian HR Awards as the winner for the Best Workplace Flexibility Program.

The awards define excellence in the human resources profession, recognising and highlighting the outstanding achievements of those at the forefront of the industry best practice and leadership.

In 2018 Dexus was awarded an Employer of Choice for Gender Equality citation by the Workplace Gender Equality Agency (WGEA). This citation recognises and promotes organisations that actively commit to achieving gender equality in Australian workplaces.

For further information on Dexus's employees refer to the [2018 Dexus Annual Report](#) and Dexus's [People and Culture](#) Disclosure of Management Approach.

Spotlight on Claire Hashman

Claire Hashman, Dexus Legal Counsel, was awarded the Lawyers Weekly Construction and Real Estate Lawyer of the Year award.

Claire is a passionate advocate for sustainability legal issues across the real estate community and is the Co-Chair of the Better Buildings Partnership (BBP's) Tenant and Communities Working Group.

Through the BBP, Claire has contributed to property industry initiatives such as the BBP Leasing Standard, and implementing Dexus's 'Simple and Easy' lease, which is scored as Gold under the BBP's Leasing Standard.

Claire was recognised for her dedicated work and innovation in the Dexus legal team and within the Corporate Responsibility and Sustainability space.



Thriving people – Performance data

Workforce statistics

Metric	FY14		FY15		FY16		FY17		FY18	
	M	F	M	F	M	F	M	F	M	F
By employment type (FTEs)										
Permanent full-time ¹	135.0	107.8	148.4	124.2	75.0	172.3	181.0	180.9	176.0	181.0
Fixed term full-time ¹									13.0	14.0
Permanent part-time ¹	0.8	18.3	0.0	23.9	0.7	26.2	1.0	27.8	0.0	26.8
Fixed term part-time ¹									0.0	2.0
Contractor	3.0	2.0	11.2	14.4	7.0	5.8	1.0	0.0	0.0	0.0
Casual	3.7	5.4	3.0	8.9	4.8	7.4	5.0	8.0	5.8	8.4
Total workforce by gender	142.5	133.5	162.6	171.4	187.5	211.7	188.0	216.7	194.8	232.2
Total workforce	276.0		334.0		399.2		404.7		427.0	
Contingent workers ²	n/a		n/a		n/a		n/a		49.0	
Workforce by location (%)										
NSW	43	32	41	37	39	40	38	40	38	42
QLD	5	10	3	7	4	6	4	7	4	5
VIC	4	6	4	7	4	7	3	6	3	6
WA	0	0	1	0	1	1	1	1	1	1
Flexible working (FTEs)										
No. of flexible work arrangements	7	26	9	52	9	43	11	51	16	75

1. From FY18, Dexus separates reporting of permanent and fixed-term employees.

2. Contractors, agency temps or consultants that performed work on a time and materials basis (e.g. a project with a defined beginning and end date).

Gender diversity

Gender diversity in the workforce	FY14	FY15	FY16	FY17	FY18
Dexus workforce by gender (FTEs)					
Number of female employees	133.5	171.4	211.7	216.7	232.2
Number of male employees	142.5	162.6	187.5	188.0	194.8
Total number of employees	276.0	334.0	399.2	404.7	427.0
Percentage of women in workforce	48%	51%	53%	54%	54%
Percentage of men in workforce	52%	49%	47%	46%	46%

Commentary and methodology

All relevant headcount data is taken from each year's headcount report as at 30 June 2018, produced by Dexus People & Culture. Headcount data for these statistics is based on Full Time Equivalent (FTE) employees, representing the active Dexus workforce.



Metric	FY14	FY15	FY16	FY17	FY18
Gender diversity in our senior leadership team					
Females in Senior Management team	24.0	27.7	31.9	35.2	39.3
Males in Senior Management team	68.0	79.2	78.0	76.0	77.8
Total employees in Senior Management team	92.0	106.9	109.9	111.2	117.1
Percentage of females in Senior Management team	26%	26%	29%	32%	34%
Percentage of males in Senior Management team	74%	74%	71%	68%	66%
Board gender diversity					
Percentage of female Non-Executive Directors	43%	43%	50%	43%	43%
Percentage of male Non-Executive Directors	57%	57%	50%	57%	57%

Commentary and methodology

'Senior Management team' includes executive management and senior management positions within the Dexus workforce. Executive management and senior management positions include Dexus employees whose role is mapped to one of the following four occupational categories: 'CEO/head of business', 'KMP (key management personnel)', 'other executives/general managers', and 'senior managers', as outlined within worker classification guidance Standardised occupational categories of managers: February 2018 published by the Australian Government's Workplace Gender Equality Agency (WGEA).

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

Engagement and leave

Metric	FY14	FY15	FY16	FY17	FY18
Employee engagement rate (%)					
Survey participation rate ¹	83	83	70	70	82
Engagement rate ¹	87	87	84	84	87
Leave days taken (days)					
Annual leave	4,351	4,696	5,594	6,679	6,447
Long service leave	81	98	133	165	140
Parental leave unpaid	721	1,396	789	1,012	686
Parental leave paid	234	355	383	632	1,148
Sick and carers' leave	818	1,135	1,194	1,234	1,197
'Dexus days'	0	0	0	0	1,552
Leave without pay	171	325	353	391	256
Other leave	491	521	732	710	438
Absenteeism					
Absentee Rate (sick days lost per FTE)	3.0	3.4	3.0	3.0	2.8

1. From FY14, Dexus conducts an Employee Opinion Surveys once every two years.

Commentary and methodology

Engagement information is 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. Dexus conducts Employee Opinion Surveys and Culture Surveys in alternate years.



Leave data is gathered for each reporting period from payroll system records. The data is 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
- Sick and carers' leave: Sick leave, carers' leave only
- Dexus Days – additional annual leave
- Leave without pay: Leave without pay only
- Other leave: Study leave, volunteer leave, jury duty, special bereavement or compassionate leave, and purchased leave

Definitions

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

$$AR = \frac{\text{number of Sick and Carer Leave days}}{\text{number of workers}}$$

Work Health & Safety, and Corrective Actions

Metric	FY14	FY15	FY16	FY17	FY18
Employee WH&S incidents					
Workplace injuries (No lost-time injuries/diseases)	6	0	7	8	18
Lost-time injuries/diseases	-	1	3	3	1
Occupational diseases	-	0	0	0	0
Fatalities	0	0	0	0	0
Lost Time Injury Incidence Rate (LTIIR)	n/a	0.30	0.75	0.74	0.23
Lost Time Injury Frequency Rate (LTIFR)	n/a	1.64	4.12	4.06	1.28
Occupational disease rate (occurrences per million hours worked)	n/a	0	0	0	0
Lost day rate (days lost per million hours worked)	n/a	3.28	39.83	181.53	7.7
Employee relations matters					
Resolved by year end	3	2	6	0	0
Outstanding at year end	0	0	0	0	1

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 FY18 related to personal injury. Dexus reported one employee relations matter during the year, with zero matters raised relating to discrimination, bullying or harassment.

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 within disclosure 403-2 from *GRI 403: Occupational Health and Safety 2016*, from the Global Reporting Initiative (GRI) Standards.

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 (LTIR) – The number of occurrences of injury/disease for each one hundred full time equivalent workers employed is calculated as follows:

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

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 1824 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.

Recruitment

Metric	FY14		FY15		FY16		FY17		FY18	
	M	F	M	F	M	F	M	F	M	F
Recruitment										
Total number of new hires	42	45	49	72	54	104	47	67	64	127
Flexible working (FTEs)										
No. of flexible work arrangements	7	26	9	52	9	43	11	51	16	75
Collective bargaining arrangements										
Percentage of total employees eligible for collective bargaining agreements	100%		100%		100%		100%		100%	
Number of employees employed under collective bargaining agreements	0		0		0		0		0	
Percentage of total employees covered by collective bargaining agreements	0%		0%		0%		0%		0%	



Retention

Metric	FY14		FY15		FY16		FY17		FY18	
	M	F	M	F	M	F	M	F	M	F
Voluntary turnover rate (%)										
Executive management	0	0	10	0	0	0	8	0	17	0
Senior management	11	8	6	4	8	17	3	3	3	8
Middle management	10	5	10	8	12	14	22	19	21	41
Professional/technical	4	3	18	11	15	12	11	2	22	15
Administration/operations	11	22	17	15	20	14	40	32	4	18
Total by gender	9	11	10	10	11	14	13	12	13	16
Total	10		10		12		12		15	
Parental leave and retention (FTEs) and retention rates (%)										
Employees entitled to take parental leave	-	-	-	-	187.5	211.7	188.0	216.7	181.8	216.2
Employees that took parental leave in reporting year	-	-	-	-	3.0	4.0	6.0	8.6	7.0	14.0
Returned to work in reporting year after parental leave	-	5.0	-	8.0	12.0	10/0	6.0	6.4	7.0	12.0
Return to work rate (%)	-	-	-	-	100	91	100	94	100	86
Parental leave retention rate after 6 months (%)	-	-	-	-	-	-	-	-	100	100
Parental leave retention rate after 12 months (%)	-	-	-	-	100	91	100	88	100	92
Parental leave retention rate after 18 months (%)	-	-	-	-	-	-	-	-	100	100

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

Metric	FY14		FY15		FY16		FY17		FY18	
	M	F	M	F	M	F	M	F	M	F
Training hours by work category										
Executive management	614	144	1,154	174	235	95	474	94	689	222
Senior management	2,553	740	3,119	1,362	1,558	822	1,923	1,230	1,785	984
Middle management	713	720	1,217	2,195	1,297	1,245	664	433	582	462
Professional/technical	543	750	907	1,431	824	1,921	1,899	3,703	856	1,727
Administration/operations	167	536	208	883	218	613	408	1,107	263	438
Total	4,590	2,890	6,604	6,045	4,132	4,696	5,367	6,566	4,175	3,833
Performance reviews										
Performance reviews performed (%)	100	100	100	100	100	100	100	100	100	100



Metric	FY14		FY15		FY16		FY17		FY18	
	M	F	M	F	M	F	M	F	M	F
Average training hours by work category										
Executive management	69		102		12		39.5	47.1	57.4	110.9
Senior management	42		47		12		30.1	37.0	27.1	26.4
Middle management	20		38		11		36.9	27.8	24.3	29.2
Professional/technical	24		27		9		26.4	33.7	12.2	13.6
Administration/operations	10		17		6		18.4	19.8	11.4	8.7
Average training hours by gender							28.5	30.3	21.4	16.5
Hours of internal & external training										
Internal	1,354		4,261		4,577		6,588		2,312	
External	4,572		4,761		1,155		2,609		1,898	
Hours of compliance training	1,554		3,626		3,097		2,736		3,798	

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	FY14		FY15		FY16		FY17		FY18	
	M	F	M	F	M	F	M	F	M	F
Executive management	1.1	1.0	1.3	1.0	1.3	1.0	1.0	1.0	1.0	1.0
Senior management	1.1	1.0	1.1	1.0	1.2	1.0	1.2	1.0	1.2	1.0
Middle management	1.1	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Professional/technical	1.2	1.0	1.1	1.0	1.2	1.0	1.2	1.0	1.1	1.0
Administration/operations	1.2	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Metric										
Multiple of all employees' salaries to CEO salary	8.76		9.15		10.00		8.76		9.90	
Multiple of all employees' salaries, excluding Group Management Committee members, to CEO salary	9.20		9.58		10.90		9.20		10.33	
Multiple of all employees' salaries, excluding all Senior Management, to CEO salary	13.41		13.55		14.20		13.41		13.34	
Ratio of the percentage increase in annual total compensation ratio (CEO versus all other employees) ¹									3.3:1	

1. Material references Disclosure 102-39 from GRI 102: General disclosures 2016. Source: Global Reporting Initiative (www.globalreporting.org)

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.

Enriched environment

Optimising the environmental performance and resilience of our buildings

Building on strong environmental foundations

It has been an active year for Dexus as we continued to make progress towards the group's 2020 targets for energy and emission reductions.

Building on this momentum, we established our *New Energy, New Opportunities* strategy that sets a pathway for Dexus to achieve net zero carbon emissions by 2030. Read more on page 45.

Supporting this target, Dexus also formally committed to act to reduce emissions under the Science Based Targets Initiative (SBTi), to set a science-based target consistent with a global transition to a 2-degree future.

Key achievements in FY18 include:

- Progressing towards our target to reduce emissions by 10% by 2020. In FY18, we achieved an 8.1% reduction in energy consumption and a 9.5% reduction in Scope 1 and Scope 2 greenhouse gas emissions against FY15 like-for-like baseline
- Continuing to progress towards our target to deliver 1,000,000 square metres of office space with a 5 star NABERS Energy rating or above by 2020, which currently stands at 892,000 square metres
- Maintaining certification as a carbon neutral organisation as part of Australia's Carbon Neutral Program, offsetting 3,000 tonnes of carbon emissions

Partnering with like-minded investors on clean energy

During the year Dexus partnered with the Clean Energy Finance Corporation (CEFC), through its investment into Dexus's Healthcare Wholesale Property Fund (HWPF).

Dexus established a fund-specific Clean Energy Policy (CEP) to affirm HWPF's focus on sustainability and outline the adoption of design and operation practices, use of innovative technology and approaches to maximise energy performance and minimise greenhouse gas emissions across the Fund's property portfolio.

Through this policy, Dexus and CEFC have commenced integrating design and operational energy efficiency across existing and pipeline healthcare properties, and shared learning on 'clean energy' technology and innovation.

HWPF's pipeline asset, the North Shore Health Hub (NSHH), has benefited from this policy, progressing the following activities during the year:

- Registered for Green Star Design & As Built rating (v1.2) and is targeting a 5 star rating
- Developed a site-specific Climate Change Adaptation Plan to consider climate change impacts across construction and operation
- Conducted a Life Cycle Assessment across the 70% design stage to identify NSHH's material and environmental hotspots relating to construction and operational resources and impacts, establishing a benchmark against which design improvements can be analysed and measured

Delivering FY18 'enriched environment' commitments

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

Commitment	Status	FY18 achievements
Deliver 1,000,000sqm of office property to a minimum 5 star NABERS Energy rating and 4 star NABERS Water rating by 2020	⇨	On track to achieve the 2020 target, with 892,000 sqm at a 5 star NABERS Energy rating and 615,000 sqm at a 4 star NABERS Water rating across the group office portfolio
Reduce energy consumption and emissions across the Group by a further 10% by 2020 using the FY15 baseline including exploring opportunities for renewables	⇨	Progressing towards the 2020 target, achieving an 8.1% reduction in energy consumption and a 9.5% reduction in Scope 1 and Scope 2 greenhouse gas emissions against FY15 like-for-like baseline
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	⇨	Demonstrated a resource recovery rate of 80% from de-fitting vacated space across 11 of 17 reported projects. Moved to single service provider sourcing arrangements across key markets to align objectives and enhance processes



New energy, new opportunities

Our *New energy, New opportunities* strategy sets a pathway for Dexus to achieve net zero carbon emissions by 2030 through improving energy efficiency and increasing renewables.

The target is in line with the Paris Climate Agreement which is advocating significant reductions in emissions to keep global warming under two degrees against a pre-industrial baseline.

Our 2030 goal represents the continuation of our successful journey to date in reducing energy use, as well as taking us in new directions to consider the elimination of direct emissions by electrifying our buildings, and proactively decarbonising our electricity, water and waste supply chains.

Read more about our 2030 net zero pathway in our [New energy, New opportunities](#) strategy.

Advancing our vision for the workplace

The path to achieving net zero is both exciting and complex. Through extensive collaboration across our business and with customers and strategic partners, we will embed our net zero emission goal within daily operations and deploy new products and technologies across our assets.

We envisage leveraging new technologies, such as artificial intelligence, voice activation and robotics to transform the customer experience, remove energy wastage and improve efficiency.

Buildings will ultimately have the ability to respond more acutely to occupants' behaviour, preferences, personal styles and ambient conditions, with tailored services providing comfort and convenience to our customers.

Our Goal

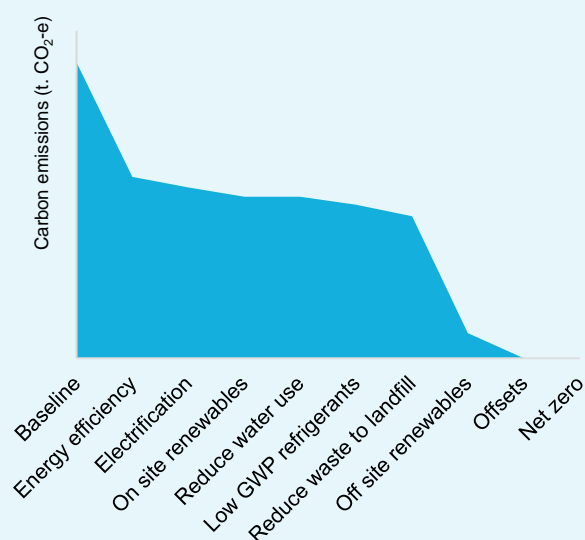
Our goal is to achieve a net zero position for all carbon emissions across Dexus's managed property portfolio by 2030.

The emissions boundary comprises all emissions sources within our operational control, including upstream and downstream emissions.

The pathway to net zero emissions

1. **Improving energy efficiency** is critical to the delivery of our targets. Our aim is to achieve up to 50% in savings by 2030, reduce occupancy costs and create a unique customer experience.
2. **On-site renewables:** We will harness existing and emerging business models to deploy solar panels across our portfolio.
3. **Off-site renewables:** Transformation of the national electricity market opens up opportunities for large scale renewable sources to become a viable option within the national energy grid.
4. **Looking beyond energy,** we will seek to reduce or eliminate emissions from operational waste and waste water generated within our buildings and reduce the emissions impact of refrigerants from air conditioning equipment.
5. **Electrification:** transition to all-electric buildings powered by new energy and the complete removal of fossil fuels.

Initiatives towards net zero emissions





Maximising energy and water efficiency at 14 Lee Street, Sydney



A focus on enhancing operational efficiencies has resulted in improvements to the NABERS Energy and Water ratings at 14 Lee Street, Central, reducing usage and saving costs.

Dexus developed and implemented a Strategic Improvement Plan to capture energy and water management ideas and opportunities formulated by the site teams.

The plan involved improvements to the Building Management and Control System (BMCS), deploying an open protocol system with integrated optimisation initiatives, together with water saving initiatives including bathroom fixture leak management.

The enhanced BMCS allowed Dexus to fully integrate within Dexus's broader 'virtual engineering' analytics platform that identifies issues through the use of algorithms, metering and notifications in a timely manner to enable immediate action.

14 Lee Street, Sydney improved its NABERS Energy rating from 5 stars to 5.5 stars, making it one of the most energy efficient properties in the Dexus portfolio.

The building's NABERS Water rating improved from 3 stars to 4.5 stars, representing an improvement in performance of over 40%.

Together, these initiatives reduced energy by 560GJ, or 15%, and avoided \$55,000 in annual energy costs, while reducing water use by 7,500kL, and saving approximately \$25,000 in water charges.

Decarbonising our energy supply

In line with our New Energy, New Opportunities strategy, we are accelerating our transition to a low carbon economy by actively pursuing opportunities to decarbonise our energy supply and electrify our buildings to operate from on-site and off-site renewables.

We have broadened our pipeline of on-site solar electricity generation projects, progressing activation of large-scale commercial solar photovoltaic (PV) arrays across 11 retail, office, industrial and healthcare properties, with further properties under investigation.

We anticipate that we will add around one megawatt (MW) of new generation over the next 18 months, with an

additional 6 to 9.9MW under detailed review in anticipation of a staged rollout over the next three years.

We commenced our investigation of building electrification, by conducting several feasibility studies across new developments and for gas boilers planned for lifecycle replacement.

We completed preparations to move to progressive purchasing for our major electricity supply, establishing market monitoring and internal governance frameworks required to purchase electricity in an agile way.

Waste management

Dexus implements waste management plans across each property which involve strategies to reduce waste volumes and segregate streams for recycling in line with our goal to achieve 65% waste diversion from landfill across the group's office portfolio. In FY18 Dexus achieved 44% diversion across office properties and 32% across retail properties.

Dexus is progressing towards its 2020 targets to achieve 80% waste diversion from tenancy de-fits, with 11 of 17 reported projects across the year.

Recent projects at the MLC Centre and 56 Pitt Street in Sydney have recorded diversion rates of 90% and 73% respectively. Demolition and fit-out contractors are well engaged on Dexus's target and are actively assisting to maximise recovery through careful separation, identifying downstream material processors, and accessing markets for recycling furniture.

Biodiversity

Recognising the importance of biodiversity, we revised our policy through which we aim to enhance, manage and report biodiversity outcomes. Across the year, we assessed over 20 properties to assist with benchmarking their ecological value and identify opportunities to create living spaces for people to interact with the outdoors.

Green Star certifications

Dexus continues to support the Green Building Council of Australia and adopt Green Star for new developments. In FY18, 480 Queen Street, Brisbane was certified 6 star Green Star As Built (Office v3), recognising the successful inclusion of environmental performance features and wellbeing amenities.

Continuing our commitment to incorporating sustainability within new developments, Dexus was awarded a 6 Star Design rating (Office v3) for 105 Phillip Street, Parramatta, and achieved a 5 star Green Star design review rating (Design & As Built v.1.1) for our first smart building at 100 Mount Street North Sydney.

We registered our first healthcare asset, the North Shore Health Hub, targeting a 5 star Design & As Built rating.

Dexus maintained Green Star Performance ratings across 73 office and retail properties, enabling us to benchmark and develop initiatives to improve our results.



National Australian Built Environment Rating System (NABERS)

Dexus continued its strong momentum towards its 2020 target of 1,000,000 square metres of rated office space at 5 stars NABERS energy or higher, achieving 892,000 sqm or 89% progress at June 2018.

In FY18, Dexus's group office portfolio achieved an average 4.9 star NABERS Energy rating and an average 3.6 star NABERS Water rating.

NABERS Energy ratings of 5.5 stars or higher were achieved at 18 office properties, representing 36% of rated area.

The group office portfolio includes 40 properties representing 74% of total rated area, with a NABERS Energy rating of 5 stars or above.

Our 'virtual engineering' analytics platform identifies areas for optimisation, and together with strategic partnerships, has resulted in improvements to the NABERS Energy ratings across 15 Dexus office buildings.

Across retail, a focus on operational efficiency, together with initiatives such as LED lighting upgrades and chiller replacements assisted Beenleigh Marketplace, Sturt Mall and Willows Shopping Centre to achieve half-star ratings improvements.

Progress remained steady towards our commitment to deliver 1,000,000sqm of office property to a minimum 4 star NABERS Water rating by 2020, with 14 properties representing 24% of rated area prioritised for review via water audits and cooling tower efficiency reviews.

Measuring a building's waste management and indoor environment

Dexus recognises the value of measuring the environmental performance of its properties and has adopted industry standard ratings methodologies and tools, while also benchmarking customer health and wellbeing impacts.

In 2018, Dexus adopted the National Australian Built Environment Rating System (NABERS) Waste rating tool to measure and provide insights into waste data at 1 Bligh Street in Sydney.

NABERS Waste is an industry standard methodology and data tool rating that provides the dual benefits of measuring the effectiveness of waste management processes and benchmarking waste diversion against industry standards. Dexus will adopt NABERS Waste at a further 15 Dexus office properties in FY19.

With a focus on customer health and wellbeing, Dexus has adopted the NABERS Indoor Environment tool to measure the indoor air and lighting quality of a building, together with acoustic quality and temperature and thermal comfort.

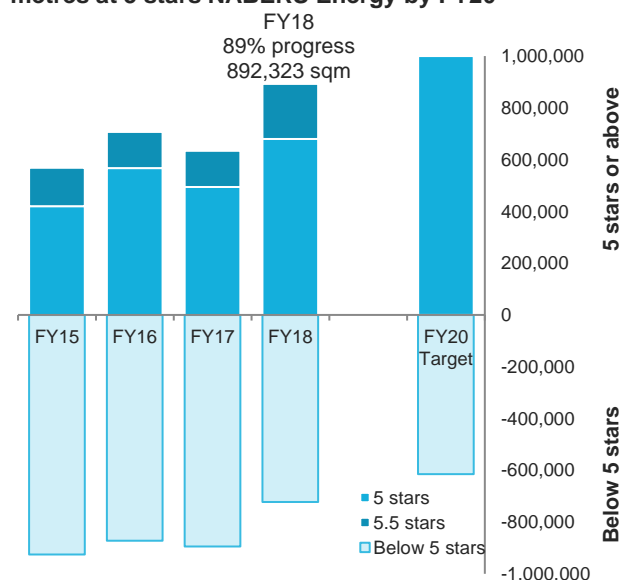
Following the achievement of a 5.5 star NABERS Indoor Environment rating at 240 St Georges Terrace – the first office building in Perth to have achieved this rating level – Dexus will assess the health of a further 19 properties in FY19.

FY18 NABERS statistics

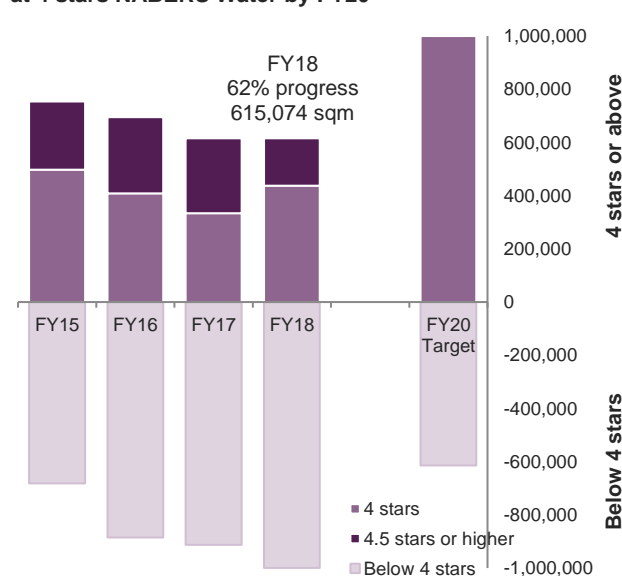
Portfolio	NABERS portfolio average	
	Energy	Water
Group Office portfolio	4.9	3.6
Dexus portfolio	4.9	3.6
Dexus Office Partnership	4.9	3.7
Funds management portfolio	4.9	3.6
Dexus Wholesale Property Fund	4.8	3.3
Group Retail portfolio¹	3.4	3.5
Dexus Wholesale Property Fund ¹	3.5	3.5
Funds management portfolio ¹	3.5	3.5

¹Dexus managed properties only

Progress to achieve 1,000,000 square metres at 5 stars NABERS Energy by FY20



Progress to achieve 1,000,000 square metres at 4 stars NABERS Water by FY20





Engaging our people on the environment

Over the course of the year, Dexus employees engaged on environmental topics including conservation, climate change and waste management.

In October 2017, we held 'Disposable Truths', a week-long internal campaign that focused on enhancing the engagement of our people with our sustainability approach. The event's activities included a 'KeepCup' giveaway, presentations from CitySwitch and the sustainability team, an e-waste awareness campaign, and a screening of the ABC's 'War on Waste'. The team also got busy planting herbs to green the office.



Greening Dexus's head office as part of Disposable Truths

We continued to support Landcare through staff volunteering with the National Parks and Wildlife Service staff at Bradleys Head in Sydney Harbour National Park, learning about metal conservation and assisting with weeding and planting of native flora.

Dexus is a signatory to the Australian Carbon Neutral program and our corporate head office has been certified as carbon neutral since 2011. We have retired certified offsets equivalent to 3,000 tonnes CO₂-e to achieve a net zero position for direct and indirect emissions from our corporate operations.

Climate resilience

The risks to Dexus from the adverse effects of climate change are varied and new information continues to emerge regarding the scale, likelihood and areas that could be impacted.

We spend time understanding the physical risks to properties and populations, together with the transitional risks for Dexus, its customers and communities, including socio-economic effects, resource availability, and health and wellbeing impacts.

Dexus's climate change resilience strategy involves:

1. Mitigating our impact through decarbonisation, energy efficiency and renewable energy.
2. Adapting to physical and transitional risks relevant to our properties, people and operations, and leveraging climate change-related opportunities.
3. Influencing our value chain by engaging customers, tenants and suppliers to reduce climate impacts.

Waterfront Place benefits from sustainability upgrades



Waterfront Place, Brisbane has improved its NABERS energy rating to achieve 5.5 stars, representing a half star improvement.

With a focus on energy efficiency, Dexus developed and implemented a Strategic Improvement Plan, which captures energy management ideas and opportunities formulated by the site teams.

The plan included a chiller upgrade which was funded in part by a \$22,000 contribution in funding via the network provider, Energex.

Together with the chiller upgrade, the use of predictive analytics was adopted as part of Dexus's 'virtual engineer' program, connecting more than 18,000 data points comprising:

- 1,381 pieces of equipment
- 21 air handling units
- 19 cooling towers
- 40 fans
- 45 pumps
- 976 Variable Air Volume boxes (VAVs)
- Over 80 electrical and water meters

Upgrades to lighting across the property has been upgraded to highly efficient LED fixtures also contributed to improvements in energy efficiency.

Together, these initiatives reduced electricity by 500MWh, or 12%, and avoided \$165,000 in annual electricity costs.

Commitment to the TCFD framework

We recognise the value of the Task Force on Climate-related Financial Disclosures (TCFD) framework and the growing investor interest in understanding the financial impacts to Dexus stemming from climate-related risks and opportunities.

We have reviewed our alignment against TCFD reporting expectations, to benchmark our practices and determine how we can further integrate climate change impacts within our leading approach to sustainability.

Read more on our commitment to the TCFD framework in the following section, and for further information on our environmental management practices, refer to the [Environment disclosure of management approach](#).



TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Dexus is committed to aligning with the TCFD framework and we provide disclosure of against the TCFD recommendations in four key areas:

1. Governance around climate-related risks and opportunities.
2. Strategy: The actual and potential impacts of climate-related risks and opportunities to our business, strategy and financial planning.
3. Risk management: Processes used to identify, assess and manage climate-related risks.
4. Metrics and targets: Those used to assess and manage relevant climate-related risks and opportunities.



Governance

The Dexus Board oversees all strategic risks including climate change, with the Board Risk Committee overseeing the Group's enterprise risk management practices, as well as work health & safety, and environmental management. As a strategic risk, climate change risk is discussed in detail on an annual basis. Each year and as needed, the Board approves the group's sustainability commitments.

The Sustainability team, led by the Executive General Manager, Investor Relations, Communications and Sustainability, and the Head of Group Sustainability and Energy leads the group's management response, reporting and presenting on a quarterly basis to the Board Risk Committee on progress against targets and to the Board as key topics emerge.

In FY18, the team reported on its climate resilience roadmap (mitigation, adaptation, and influencing value chain). As part of this, the Board Risk Committee has reviewed Dexus's 2030 net zero strategy from proposal to implementation. The strategy and associated targets were approved by the Board.

Strategy

Dexus considers climate related risks and opportunities across the following time horizons:

- Short term (0-2 years in line with 2020 goals)
- Medium term (2-7 years in line with interim targets towards 2030, and Capex planning)
- Long term (7-15 years in line with 2030 net zero emissions target) time horizons.

As the nature and impact of transitional risks continues to evolve, Dexus leverages the following activities to gather data and insights to inform investment decision-making:

- Our in-house research team tracks economic conditions, correlates market risks and forecasts real estate market performance in all major commercial, retail and industrial property markets nationwide to identify immediate operational risks,

and longer-term megatrends that influence the development of strategy, portfolio planning and new products and services

- We collaborate with peers and with industry associations to undertake work and share knowledge on climate change risk and adaptation
- We engage with customers and conduct social demographic studies across retail properties
- We work with subject matter experts to maintain an up-to-date view of this emerging topic

Climate-related issues are considered as one of several factors within annual asset and property management activities including financial budgeting for capital and operating expenditure, risk-based engineering assessments, managing insurance policy and claims. Financial planning is conducted across short and medium time horizons.

To date, Dexus has applied climate scenarios to inform decision-making as follows:

Scenario	Application
RCP8.5 from the 2014 IPCC ¹ report using 2030 and 2070 time horizons	Assess property physical risk exposure to identify likely worst-case climate-related outcomes, including the magnitude and specific locations where they are likely to occur. The outcomes inform Dexus's acquisition strategy and physical property risk management activities.
Science-Based Target initiative (SBTi) sectoral decarbonisation trajectory using IEA ² 2°C scenario (IEA 2DS:2012)	Climate scenario analysis outcomes used to inform energy use and price modelling out to 2030 with comparison against sector decarbonisation required consistent with 2 degrees warming against pre-industrial levels. In FY18, this analysis has been used to develop our 2030 net zero emissions target in line with science-based outcomes to avoid serious climate-change effects.

¹ Intergovernmental Panel on Climate Change (<http://www.ipcc.ch/>)

² International Energy Agency <http://www.iea.org>



Climate related financial risks and opportunities

Risk	Time horizon	Financial impact	How Dexus is equipped to manage and monitor risk
Policy and legal compliance and potential for emissions taxes/tariffs on energy	Short to medium term	Enhanced emissions-reporting obligations may lead to increased compliance costs Increased operating costs through new or higher taxes	In-house Sustainability team monitors existing and emerging legislation and embeds compliance into daily processes. Dexus develops and manages to maximise energy efficiency via continuous improvement design and operational targets, that drive ongoing energy efficiency programs.
Property physical risk exposure via increased severity of extreme weather events such as cyclones and floods	Short to long term with predicted increase in frequency	Increased insurance premiums and potential for reduced availability of insurance on assets in "high-risk" locations	Dexus has assessed its portfolio for climate-related risk exposure and climate change impacts are reduced through careful portfolio construction combined with risk evaluation and associated adaptation planning within its certified Environmental Management System. Dexus actively manages climate exposure risk for wind and flooding to mitigate against higher insurance deductibles imposed by insurers for specific properties located in Far North Queensland due to their inherent risk exposure.
Changing investor behaviour to divest out of businesses that exhibit high carbon intensity and/or do not articulate a clear strategy for addressing climate change risks	Medium term	Reduced ability to attract and retain investors and raise new capital. Reduced access to debt or finance arrangements or lead to less favourable interest rates or debt terms	Dexus systematically identifies, quantifies and responds to ESG issues within strategic decision making and operations, to deliver sustained investor returns. Dexus is a signatory to the UNPRI and has integrated these principles. Dexus conducts ESG due diligence for property transactions, applies technology and operational expertise to reduce resource use and greenhouse gas emissions, and partners with like-minded suppliers.
Changing customer expectations for minimum building performance	Medium term	Reduced customer demand would lead to increased vacancy, lower rental income, and property devaluation	Dexus focuses on operational efficiency by setting continuous improvement targets and continues to invest capital expenditure into its properties to maximise building energy efficiency and reduce emissions. Dexus analyses and responds to consumer trends through market research, focusing on tenant needs and issues to provide service excellence.
Rising mean temperatures and heat stress	Medium to long term	Increased operating and maintenance costs to maintain indoor temperature to meet occupants' comfort requirements to maintain health and wellbeing	Advanced building management systems, supported by virtual engineer analytics monitor building comfort conditions and the indoor environment. Dexus installs standby generators to maintain energy security for use during blackouts.
Opportunity	Time horizon	Financial impact	How Dexus is equipped to manage and monitor opportunity
Availability of incentives	Short term	Additional revenues through access to new and emerging markets to offset project capital costs	Dexus participates in the NSW Energy Savings Scheme and generates Energy Savings Certificates (ESCs) following successful implementation of prior projects. In FY18 Dexus created 11,915 ESCs.
Changing investor behaviour	Medium term	Better competitive position to reflect shifting consumer preferences, resulting in attracting and retaining capital	Dexus is a signatory to the UNPRI and has integrated these principles throughout the organisation. Dexus has been recognised globally as a leader by inclusion on various indices including Dow Jones Sustainability Index , FTSE4Good Index , MSCI and commitment to the CDP . Dexus leverages its demonstrated reputation for prudent capital management as a responsible investor to raise additional capital and attract new investment partners.
Changing customer behaviour towards more efficient buildings	Short to medium term	Better competitive position to reflect shifting consumer preferences, resulting higher occupancy and rental returns	Dexus effectively manages energy use to reduce tenant outgoings and attract customers. Dexus benchmarks its office/retail properties using NABERS ¹ and is targeting 1,000,000 square metres of 5 star rated NABERS properties by 2020. Dexus benefits from changing consumer behaviour, including government and some private sector tenants that now require a minimum level of energy efficiency in their office tenancies, and typically require their buildings to achieve 4.5 star NABERS Energy ratings or higher.
Access to new market revenue opportunities	Short to medium term	Opportunity to leverage Australia's electricity grid transformation and increases in distributed electricity generation by new market operators.	Dexus is exploring opportunities to self-generate and on-sell electricity or lease the available roof space across its managed industrial portfolio to third party solar energy companies on a large scale.

¹ National Australian Built Environment Rating System, administered by the NSW Office of Environment and Heritage



Scenario analysis

We see the value in managing climate-related risks while continuing to identify and leverage opportunities to improve sustainability metrics across our portfolio.

Within our submission to [2018 CDP climate change assessment](#), Dexus lists the financial impacts of key risks and opportunities, and how they are currently impacting Dexus.

The review of our processes against TCFD expectations has highlighted the opportunity to further integrate scenario modelling into annual business stress testing across longer-term time horizons beyond the current 3 to 5-year horizon.

Our goal is to continue to enhance our disclosure of financial impacts beyond those expressed in our 2018 CDP submission, and in line with published TCFD guidance.

Risk management

Climate-related risks are assessed in accordance with Dexus's standard framework for managing risks. At a group level each key strategic risk, including climate change risk, is discussed in detail on an annual basis.

Dexus reviews the sustainability risks of a potential acquisition before purchase through a rigorous due diligence process focusing on environmental performance, climate change-related physical risk exposure, and building upgrade and improvement plans, with associated costs to implement upgrades in line with the group's 5 star NABERS Energy rating target.

The outcomes may affect procurement decisions and determine the investment strategy for the asset, both in the short and long term.

For properties under management, environmental performance and reducing resource consumption is critical and is measured, monitored and managed to meet environmental performance targets. Dexus is committed to operational efficiency across the property portfolio to deliver savings in resource consumption, greenhouse gas emissions and to meet current and future environmental targets.

Refer to the [Environment](#) and [Governance](#) disclosures on management approach for information on governance, risk management framework and processes, and emissions reduction activities.

Metrics and targets

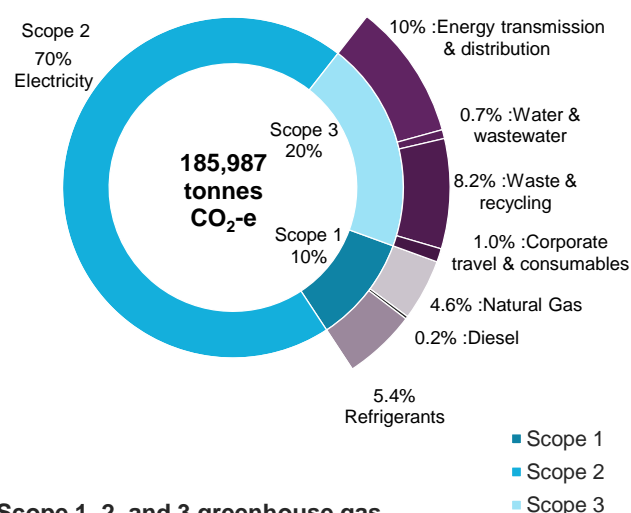
Our goal is to achieve net zero emissions by 2030 through improving energy efficiency and increasing renewables.

Dexus monitors and reports on absolute, like-for-like greenhouse gas emissions and emissions intensity for all properties under operational control.

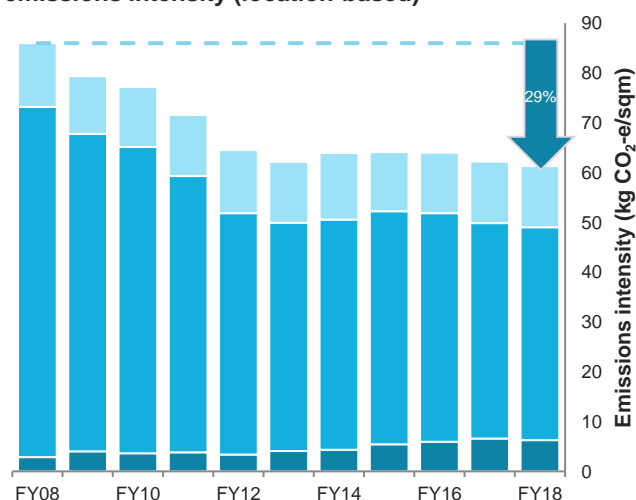
We report using both location-based and market-based approaches, the former satisfying our regulatory reporting and the latter taking into account voluntary reductions achieved through use of emission-free GreenPower.

Metric	FY17	FY18
Greenhouse gas emissions (t. CO ₂ -e)		
Scope 1	19,689	18,946
Scope 2 (location-based)	128,828	129,871
Scope 3	36,732	37,169
Location based emissions	185,249	185,987
Voluntary abatement (t. CO ₂ -e)		
GreenPower purchases	-4,986	-830
Market based emissions	180,263	185,157
Voluntary offsetting	-3,000	-3,000
Net greenhouse gas emissions	177,263	182,157
Scope 1, 2, & 3 emissions intensity (kg CO ₂ -e/sqm)		
Location-based emissions intensity	62	61
Market-based emissions intensity	61	61
Net emissions intensity	60	60

FY18 greenhouse gas emissions by Source (location-based)



Scope 1, 2, and 3 greenhouse gas emissions intensity (location-based)





Enriched environment – Performance data

Glossary

Acronym	Definition
CFCs	Chlorofluorocarbons (CFCs) are nontoxic, non-flammable chemicals containing atoms of carbon, chlorine, and fluorine. CFCs are believed to be a major cause of stratospheric ozone depletion
GBCA	Green Building Council of Australia (new.gbca.org.au)
GHG	Greenhouse gas emissions, measured in equivalent tonnes of carbon dioxide (t. CO ₂ -e)
GHG Protocol	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – guidance on accounting and reporting greenhouse gas emissions (ghgprotocol.org)
Greenhouse Gas Protocol: Scope 2 Guidance	Guidance on accounting and reporting scope 2 emissions (ghgprotocol.org/scope_2_guidance)
GreenPower	Emission-free electricity sourced via a certified GreenPower Product (www.greenpower.gov.au)
Green Star	An environmental rating tool, administered by the GBCA for commercial design and construction, used to evaluate a building's impact against eight categories
HCFCs	Hydrochlorofluorocarbons (HCFCs) are compounds containing carbon, hydrogen, chlorine and fluorine. Industry and the scientific community view certain chemicals within this class of compounds as acceptable temporary alternatives to chlorofluorocarbons. The HCFCs have shorter atmospheric lifetimes than CFCs and deliver less reactive chlorine to the stratosphere where the "ozone layer" is found
NABERS	National Australian Built Environment Rating System (www.nabers.gov.au)
SIP	Strategic Improvement Plan, prepared by Dexs that capture energy, water and waste improvement opportunities and forecast a pathway towards resource efficiency targets
TCFD	Task Force on Climate-related Financial Disclosure – a working group that has developed a set of recommendations for voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders (www.fsb-tcfd.org)
Reporting Boundary	Definition
'Dexus', 'the group', 'Dexus group portfolio'	Dexus comprising the ASX listed entity (DXS) and the Third Party Funds Management business, unless otherwise stated
Dexus portfolio'	refers specifically to the portfolio of properties in the ASX listed entity
'Funds management portfolio'	refers to properties managed by Dexs on behalf of third party clients including the Australian mandate, three capital partnerships and DWPF
DWPF	Dexus Wholesale Property Fund

Resource consumption methodology

The resource consumption data is derived from office, industrial and retail properties under the operational control of Dexs for part or all of the 12 months ending 30 June 2018 with the inclusion of Dexs corporate tenancies.

Dexs has applied the principles contained within the National Greenhouse and Energy Reporting (NGER) Act 2007 and its associated guidelines to determine the operational control of its properties across Australia and New Zealand. Dexs has operational control of a facility if it has the authority to introduce and implement any or all of the operating, health and safety and environmental policies for the facility. Dexs excludes energy consumption from tenant spaces where the tenant receives separately metered energy invoices and excludes whole facilities where they are leased to a single tenant occupying the entire premises.

Dexs also included water usage from 10 current and seven previously managed industrial properties where water is purchased by Dexs and consumed by customers and Dexs for property maintenance, e.g. landscaping.

Refer to the Dexs 2018 Assurance Criteria for further details including the list of consumption and emission sources, and references for factors that have been applied. The 2018 Assurance Criteria is available in the [CR&S library](#) on the Dexs 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 24-month like-for-like period.

Dexs 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.

Within its FY18 environmental disclosure Dexs has elected to restate Scope 3 emissions figures across the group, due to the addition of two additional emission sources, namely water & wastewater and recycled waste. Together these sources have added 3,919 tonnes to the FY18 inventory, or approximately 2.2% increase against Dexs's previous source boundary. For consistency and comparability, Dexs has restated prior years' emissions to include these sources.

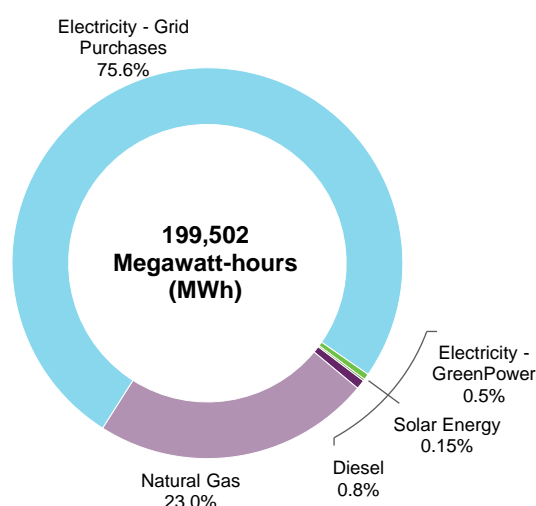


Group managed portfolio - environmental inventory

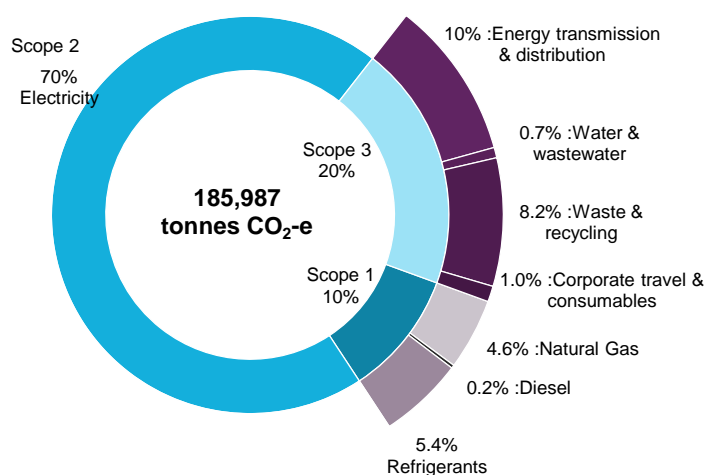
Metric	FY08 ¹	FY14	FY15	FY16	FY17	FY18
Greenhouse gas emissions (tCO₂-e) – Group managed portfolio						
Scope 1	6,226	11,050	15,881	17,680	19,689	18,946
Scope 2 (location-based)	151,951	117,422	137,785	136,789	128,828	129,871
Subtotal Scope 1 & 2	158,176	128,471	153,666	154,469	148,517	148,818
Scope 3 – property portfolio	27,630	32,608	33,519	34,386	34,863	35,310
Scope 3 – corporate operations		1,361	1,452	1,906	1,869	1,859
Total Scopes 1,2 & 3⁴	185,807	162,440	188,638	190,761	185,249	185,987
Energy and water consumption						
Total net energy consumption (GJ) ⁴	735,723	595,021	730,059	755,788	727,535	718,207
Total net energy consumption (MWh)	204,367	165,284	202,794	209,941	202,093	199,502
Water consumption (kL) ⁴	1,499,044	1,442,015	1,704,754	1,759,432	1,813,034	1,863,608
Waste and recycling						
Waste to Landfill (tonnes)	4,828	6,430	8,109	8,083	9,480	10,446
Recycling (tonnes) ²	3,730	6,035	7,106	6,541	7,027	6,855
Total Waste (tonnes) ^{2,4}	8,559	12,465	15,215	14,624	16,507	17,301
Waste data coverage across portfolio ³	70%	84%	93%	95%	98%	99%

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.
2. Excludes secure paper
3. Coverage by net lettable area across office and retail portfolio, excludes industrial properties as Dexus does not manage waste.
4. FY18 data independently assured

FY18 Primary Energy Use by Source (MWh)



FY18 greenhouse gas emissions by Source (location-based)



The inventory above represents the Group's managed portfolio on an operational control basis. Emissions calculations follow a 'location-based' approach, which involves accounting for electricity purchases using published average grid emission factors, as defined within [The Greenhouse Gas Protocol: Scope 2 Guidance](#).

Nominated data metrics have undergone independent assurance as indicated.

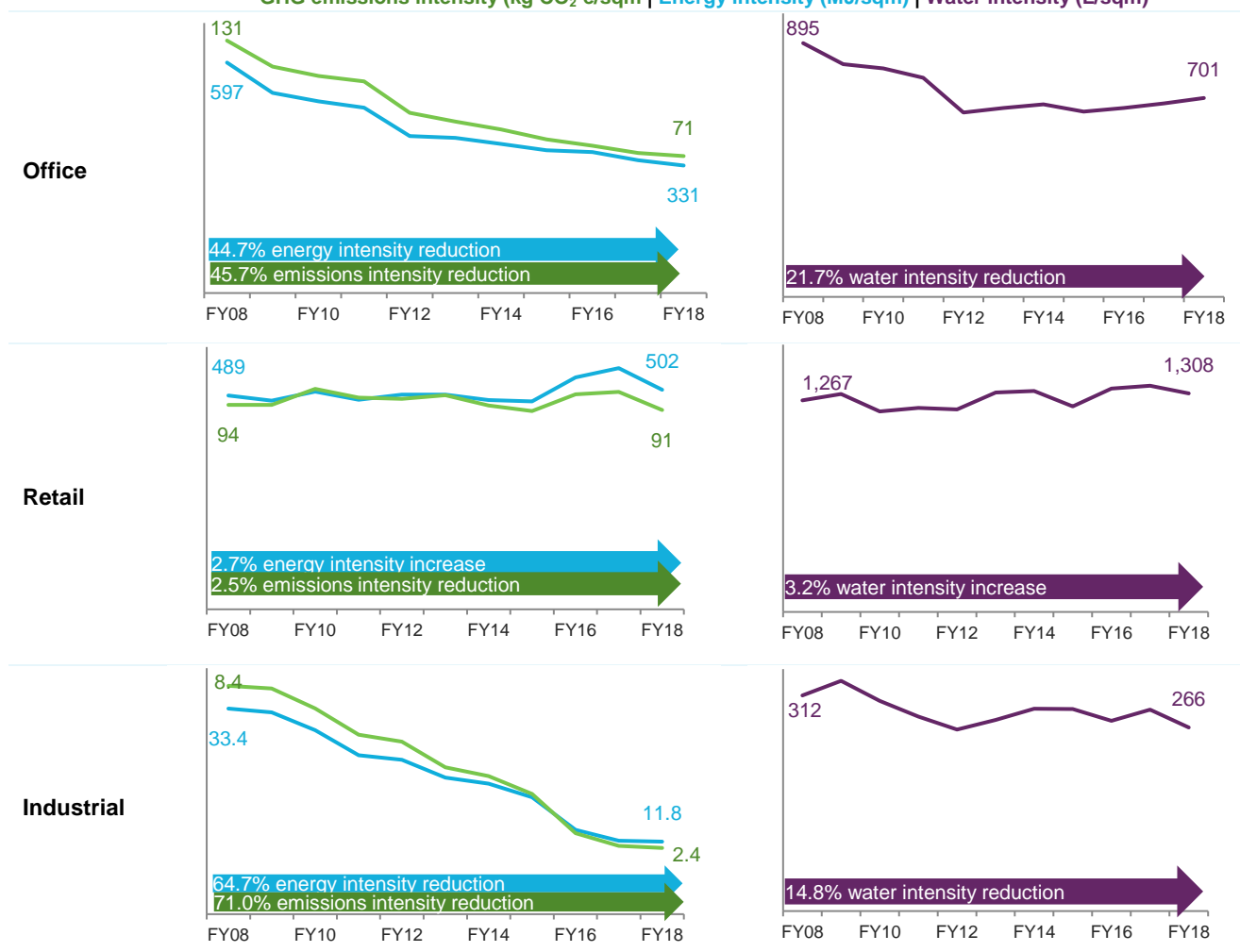


Group managed portfolio - Consumption/emissions on an intensity basis

	Metric	Managed portfolio				Like-for-like ²		12 month change
		Base year ¹	FY16	FY17	FY18	FY17	FY18	
Group Office portfolio	Energy consumption (MJ/sqm)	597	366	344	331	346	331	-4.4%
	Water consumption (L/sqm)	895	666	683	701	696	711	2.2%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	131	76	73	71	73	71	-2.6%
	Waste diversion from landfill (%)	51%	51%	48%	44%	47%	44%	-7.1%
Group Retail portfolio	Energy consumption (MJ/sqm)	489	530	552	502	410	394	-3.9%
	Water consumption (L/sqm)	1,267	1,337	1,354	1,308	1,122	1,080	-3.8%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	94	98	99	91	79	75	-5.0%
	Waste diversion from landfill (%)	30%	33%	33%	32%	40%	40%	1.5%
Group Industrial portfolio	Energy consumption (MJ/sqm)	33.4	13.7	11.9	11.8	12.4	12.3	-0.6%
	Water consumption (L/sqm)	312	275	291	266	289	255	-11.8%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	8.4	3.0	2.5	2.4	2.6	2.5	-2.4%

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.
2. Properties under management for FY17 and FY18 periods

GHG emissions intensity (kg CO₂-e/sqm) | Energy intensity (MJ/sqm) | Water intensity (L/sqm)





Group managed portfolio – Market-based emissions inventory

In conjunction with Dexus's target to achieve net zero greenhouse gas (GHG) emissions by 2030, Dexus is adopting market-based emissions accounting.

Taking into account direct (Scope 1) and indirect (Scopes 2 and 3) operational emission sources, Dexus will continue to use published factors, including NGER and Australia's National Greenhouse Accounts to determine its ongoing emissions footprint, in accordance with the GHG Protocol¹. Dexus will take into account purchases of renewable energy through direct Power Purchase Agreements or through Greenpower², in accordance with the market-based approach to Scope 2 accounting defined within the GHG Protocol¹ Scope 2 Guidance.

Dexus's goal incorporates Scope 3 emission sources where Dexus controls the emissions outcome, including upstream energy-related emissions and emissions resulting from waste from operations and water & wastewater use.

On the pathway to net zero, Dexus will only use certified carbon offsets where all efforts to avoid, reduce and re-source emissions related activities have been exhausted, or should the need to accelerate the transition across all emissions sources arise.

Metric		FY08 ¹	FY14	FY15	FY16	FY17	FY18
Grid-purchased electricity							
Electricity – grid-purchases accounted using average grid emission factors	GJ	559,884	426,622	506,789	532,072	517,446	543,148
	MWh	155,523	118,506	140,775	147,798	143,735	150,875
Electricity – GreenPower purchases accounted using source-based emission factor supported by an energy attribute certificate	GJ	55,103	41,639	40,110	26,847	19,457	3,549
	MWh	15,306	11,566	11,142	7,457	5,405	986
Total grid-purchased electricity	GJ	614,987	468,260	546,899	558,919	536,903	546,697
	MWh	170,830	130,072	151,916	155,255	149,140	151,860
Market-based GHG emissions (tCO ₂ -e)							
Scope 1 GHG emissions (tCO ₂ -e)		6,226	11,050	15,881	17,680	19,689	18,946
Scope 2 market-based GHG emissions (tCO ₂ -e), comprising:		138,150	106,599	127,467	129,802	123,842	129,041
<i>Electricity – grid-purchases accounted using average grid emission factors</i>		138,150	106,599	127,467	129,802	123,842	129,041
<i>Electricity – GreenPower purchases accounted using source-based emission factor supported by an energy attribute certificate</i>		0	0	0	0	0	0
Scope 3 GHG emissions (tCO ₂ -e)		27,630	33,969	34,972	36,292	36,732	37,169
Scope 1, 2 & 3 market-based GHG emissions (tCO₂-e)		172,006	151,617	178,319	183,774	180,263	185,157
Voluntary offsetting							
Voluntary offsets surrendered by Dexus ²		0	2,200	2,700	2,700	3,000	3,000
Net GHG emissions (tCO₂-e)		172,006	149,417	175,619	181,074	177,263	182,157

1. FY10 represents the group's base year.

2. Offsets comprise eligible offset units, each relating to 1 tonne of carbon dioxide equivalent, recognised under Australia's [Carbon Neutral Offset Standard](#)

The inventory above represents the Group's managed portfolio on an operational control basis.

Emissions calculations follow a 'market-based' approach which involves accounting separately for electricity purchases using a source-based emission factor supported by an 'energy attribute certificate', and separately for electricity purchases using published average grid emission factors, as defined within [The Greenhouse Gas Protocol: Scope 2 Guidance](#).



Dexus corporate operations - Voluntary greenhouse gas abatement

Dexus is a signatory to Australia's Carbon Neutral Program which is administered by the Federal Department of the Environment. An emissions inventory is developed annually in line with the program's National Carbon Offset Standard (NCOS) across Dexus's Corporate Operations.

In 2011 Dexus was the first real estate investment trust in Australia to achieve a carbon neutral certification for our head office. Since then, the reporting boundary has been expanded across 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 and recycling, office paper use and stationary, water & wastewater, 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 ¹	FY14 ²	FY15 ³ (new baseline)	FY16	FY17	FY18
Greenhouse gas emissions (tCO ₂ -e)								
Scope 1	2	2	2	1	1	1	1	1
Scope 2	403	332	270	233	284	248	266	311
Scope 3 comprising the following:	1,841	1,970	1,685	1,762	2,330	2,312	2,246	2,269
<i>tenancies and base building energy/refrigerants</i>	604	587	444	348	431	390	365	389
<i>office paper use and waste</i>	35	10	221	58	25	24	18	19
<i>corporate travel</i>	1,202	1,373	1,021	1,009	1,040	927	898	1,039
<i>employee commuting</i>	n/a	n/a	n/a	347	420	501	507	561
<i>IT, catering, accommodation, water use</i>	n/a	n/a	n/a	n/a	414	471	458	261
Avoided emissions from renewable energy purchased by Dexus	-81	-66	-28	0	-16	0	-2	0
Avoided emissions from carbon neutral products purchased by Dexus	0	0	0	0	0	0	0	-6
Total emissions (scopes 1, 2 & 3)	2,165	2,238	1,929	1,995	2,599	2,561	2,511	2,575
Voluntary carbon abatement (tCO ₂ -e)								
Carbon offsets purchased and retired by Dexus	2,200	2,300	2,000	2,200	2,700	2,700	3,000	3,000

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



NABERS ratings – Office portfolio

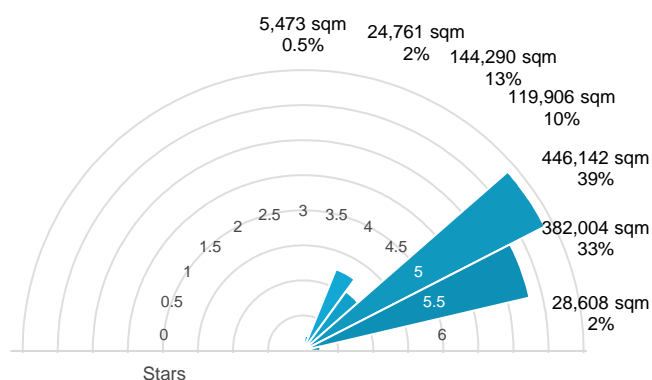
NABERS portfolio average ²	Like-for-like basis ¹				Absolute basis ¹				
	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Dexus portfolio									
NABERS Energy	3.2	3.6	3.9	4.7	4.6	4.7	4.8	4.8	4.9
NABERS Energy performance	2.8	3	3.5	4.2	4.4	4.4	4.5	4.5	4.7
NABERS Water	2.6	3.1	3.3	3.5	3.5	3.8	3.7	3.6	3.6
Dexus Office Partnership									
NABERS Energy					4.8	4.8	4.9	4.9	
NABERS Energy performance					4.7	4.7	4.7	4.8	
NABERS Water					3.9	3.9	3.9	3.7	
Funds Management portfolio									
NABERS Energy	3.3	3.9	4	4.1	4.5	4.7	4.8	4.9	4.9
NABERS Energy performance	2.8	3.3	3.7	3.7	4.2	4.4	4.4	4.6	4.7
NABERS Water	2.5	2.7	3	3.2	3.3	3.6	3.6	3.7	3.6
Dexus Wholesale Property Fund									
NABERS Energy	2.6	3.3	3.9	3.8	4.2	4.5	4.6	4.8	4.8
NABERS Energy performance	2	2.9	3.6	3.4	4	4.1	4.2	4.5	4.6
NABERS Water	2	1.9	3	3	3	3.2	3.3	3.3	3.3
Dexus group office portfolio									
NABERS Energy	3.3	3.7	3.9	4.5	4.6	4.7	4.8	4.8	4.9
NABERS Energy performance	2.8	3.1	3.5	4	4.3	4.4	4.5	4.6	4.7
NABERS Water	2.4	3	3.2	3.4	3.5	3.7	3.7	3.6	3.6

1. Dexus commenced reporting our NABERS portfolio on an absolute basis from FY14

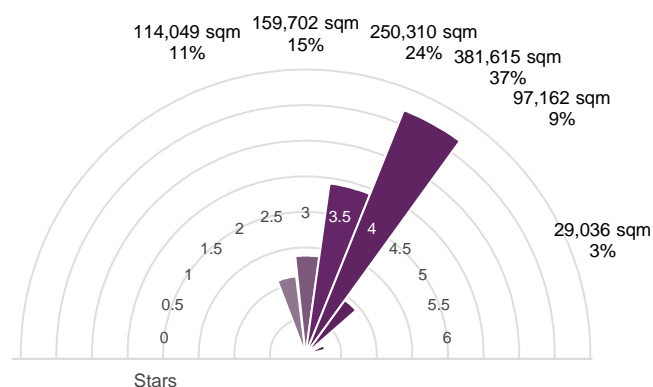
2. As at 30 June each year

Group office portfolio as at June 2018

NABERS Energy ratings



NABERS Water ratings



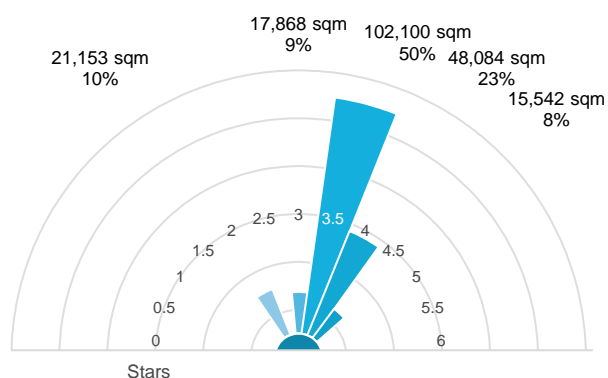


NABERS ratings – Retail portfolio

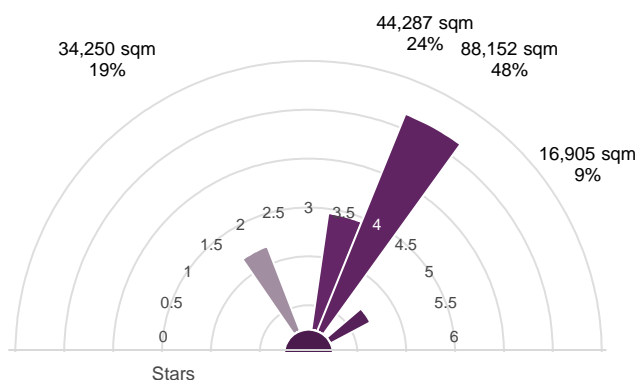
NABERS portfolio average	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Dexus Wholesale Property Fund – managed portfolio									
NABERS Energy	n/a	2	2.5	2.5	3.5	3.9	3.4	3.1	3.5
NABERS Water	n/a	3.5	4	4	4.2	4.1	4.2	3.2	3.5
Funds Management portfolio – managed portfolio									
NABERS Energy	n/a	3.1	3.9	3.9	3.7	3.9	3.6	3.3	3.5
NABERS Water	n/a	3.2	3.7	4.4	4.1	4.1	4.1	3.5	3.5

Dexus managed retail portfolio as at June 2018

NABERS Energy ratings



NABERS Water ratings



Progress against commitments and performance targets

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 five year target, which is reported in absolute terms on a like-for-like basis against the FY15 baseline.

NABERS metrics	FY15	FY16	FY17	FY18	Change against FY15 baseline
Rated at 5 star NABERS energy or higher (sqm)	597,320	707,432	634,594	892,393	295,003
Progress against NABERS energy target (%)	60%	71%	63%	89%	+29%
Rated at 4 star NABERS water or higher (sqm)	770,270	706,963	615,884	615,074	-155,196
Progress against NABERS water target (%)	77%	71%	62%	62%	-15%



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.

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

Metric	FY15	FY16	FY17	FY18	Change against FY15 baseline
Energy consumption (GJ)	557,719	558,726	526,982	512,788	-8.1%
Energy consumption (MWh)	154,922	155,202	146,384	142,441	-8.1%
Scope 1 and 2 greenhouse gas emissions (t. CO ₂ -e)	119,394	116,785	110,499	108,041	-9.5%

The FY15 like-for-like boundary includes all properties under operational control that were within the reporting boundary for a continuous period between 1 July 2014 and 30 June 2018, and excludes properties acquired, divested and those where their net lettable area (NLA) has increased or decreased by 15% or more in the reporting year when measured against FY15.

Voluntary greenhouse gas abatement

Metric	FY14	FY15	FY16	FY17	FY18
Low carbon energy (MWh)					
Volume of GreenPower procured/committed	11,566	11,142	7,457	5,405	986
Electricity generated from solar energy	115	106	183	276	292
Electricity generated from cogeneration	1,434	2,027	2,008	2,205	1,354
Electricity from renewable & low carbon sources (MWh)	13,116	13,275	9,648	7,885	2,631
Emissions abatement from renewable sources (t.CO ₂ -e)					
GreenPower purchases (Scope 2 only)	10,823	10,318	6,987	4,986	830
Electricity from solar energy (Scope 2 & 3)	122	105	169	240	250
Emissions abatement from low carbon sources (t.CO ₂ -e)					
Avoided grid-purchased electricity emissions (Scope 2 & 3)	2,152	2,840	2,704	2,904	1,741
Natural gas emissions for generation (Scope 2 & 3)	-1,473	-1,870	-1,781	-1,757	-1,042
Net abatement (Scope 2 & 3)	679	970	923	1,147	698
Total emissions abatement from use of electricity from renewable & low carbon sources (t.CO₂-e)	11,624	11,393	8,079	6,373	1,778
% of group emissions that have been abated	6.7%	5.7%	4.1%	3.3%	0.9%

Energy Savings Scheme

Energy Savings Certificates (ESCs)	FY12	FY13	FY14	FY15	FY16	FY17	FY18
ESCs created ¹	8,608	17,004	42,814	22,303	33,796	4,599	11,915
ESCs traded ¹	0	0	32,446	58,093	15,934	18,052	16,514

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 (tCO₂-e).



Dexus group portfolio - Environmental metrics

Energy consumption and production by source

Energy		FY08 ¹	FY14	FY15	FY16	FY17	FY18
Energy consumption (MWh)							
Non-renewable	Diesel	266	1,468	866	1,514	1,538	1,535
	Natural Gas	33,272	33,628	49,905	52,989	51,140	45,815
	Electricity – grid-purchases	155,523	118,506	140,775	147,798	143,735	150,875
Renewable	Electricity – GreenPower purchases	15,306	11,566	11,142	7,457	5,405	986
	Solar energy	0	115	106	183	276	292
Electricity consumed from on-site thermal and solar generation		106	2,137	2,480	2,796	3,095	2,259
Total energy consumption		204,474	167,420	205,274	212,738	205,188	201,761
Energy production (MWh)							
Electricity produced from thermal and solar generation for on-site use		106	2,137	2,480	2,796	3,095	2,259
Electricity generated and exported off site		0	0	0	0	0	0
Total energy production		106	2,137	2,480	2,796	3,095	2,259
Net energy consumption (MWh)							
Total net energy consumption		204,367	165,284	202,794	209,941	202,093	199,502
Proportion of group energy consumption from renewable sources (%)		7.5%	7.1%	5.5%	3.6%	2.8%	0.6%

1. FY08 represents the group's base year

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 customers. Dexus does not consume or export steam, heating or cooling from/to district thermal sources.

Water consumption by source

Water consumption (kL or cubic metres)		FY08 ¹	FY14	FY15	FY16	FY17	FY18
Office		839,884	807,424	980,018	1,072,559	1,089,317	1,145,900
Retail		370,229	307,046	393,995	378,637	401,340	423,430
Industrial		288,931	326,717	326,871	297,949	314,363	283,710
Total potable water consumption (kL)		1,499,044	1,441,188	1,700,885	1,749,145	1,805,019	1,853,040
Recycled water recovery			827	3,869	10,288	8,015	10,568
Total water consumption including recycled water (kL)		1,499,044	1,442,015	1,704,754	1,759,432	1,813,034	1,863,608
Proportion of water use from recycled sources (%)		0.0%	0.1%	0.2%	0.6%	0.4%	0.6%

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 greywater 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.

Dexus does not consume fresh surface water. Dexus consumes an immaterial amount of bore water at Willows Shopping Centre from a rechargeable source which not included in the figures for water consumption.

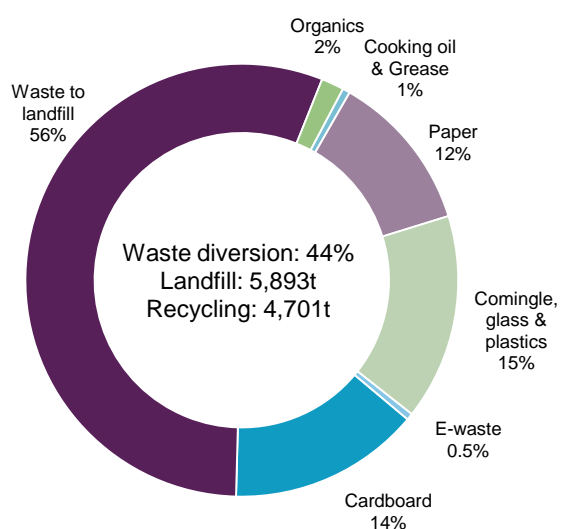


Waste and recycling from property operations by stream

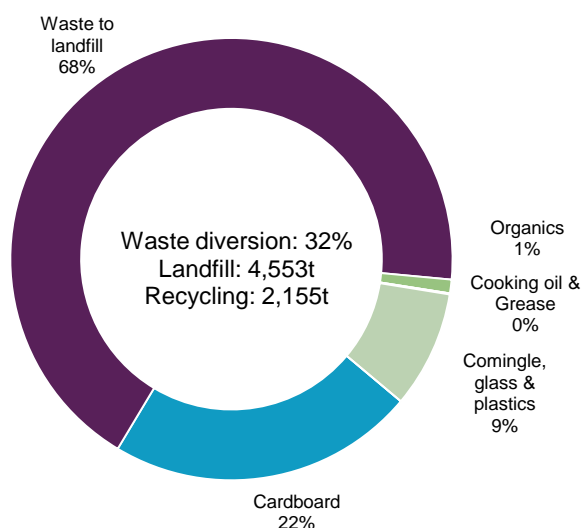
FY18 waste stream (tonnes)	Office	Retail
Dexus managed waste collection		
Cardboard	1,517	1,509
Paper	1,262	5
Comingle	1,609	484
Fully comingle	23	89
Organics and used cooking oil	238	67
E-waste	52	0
Waste to landfill	5,893	4,553
Total waste & recycling (tonnes)		
	10,594	6,707
Tenant managed waste collection outside Dexus's waste reporting boundary		
Secure paper	146	0

In FY18 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 to another for treatment.

FY18 Operational waste by stream (tonnes)
Office



FY18 Operational waste by stream (tonnes)
Retail





Emissions of ozone depleting substances

	FY08	FY14	FY15	FY16	FY17	FY18
Emissions of ozone depleting substances (t.CFC-11e)	n/a	0.1	0.9	0.2	1.2	1.2

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

Greenhouse gas emissions (tCO ₂ -e)	FY08	FY14	FY15	FY16	FY17	FY18
Direct greenhouse gas emissions (tCO ₂ -e)						
Carbon Dioxide (CO ₂)	6,207	6,564	9,414	10,186	9,850	8,864
Methane (CH ₄)	12	13	18	20	19	17
Nitrous Oxide (N ₂ O)	7	5	6	7	7	6
Hydrofluorocarbons (HFCs)	0	4,468	6,443	7,467	9,814	10,059
Sulphur Hexafluoride (SF ₆)	0	0	0	0	0	0
Perfluorocarbon (PFC)	0	0	0	0	0	0
Nitrogen Trifluoride (NF ₃)	0	0	0	0	0	0
Scope 1 GHG emissions (tCO₂-e)	6,226	11,050	15,881	17,680	19,689	18,946
Indirect greenhouse gas emissions (tCO ₂ -e)						
Scope 2 GHG emissions (tCO₂-e)	151,951	117,422	137,785	136,789	128,828	129,871
Scope 3 GHG emissions (tCO₂-e)	27,630	33,969	34,972	36,292	36,732	37,169

Dexus has determined its emissions resulting from the common greenhouse gases reported under the Kyoto Protocol, being carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and Nitrogen Trifluoride (NF₃).

Emissions are aggregated into carbon dioxide equivalents (CO₂-e) using factors called global warming potentials (GWPs).

Greenhouse gas emissions by source

Greenhouse gas emissions (tCO ₂ -e)	FY08	FY14	FY15	FY16	FY17	FY18
Diesel	67	367	217	383	389	388
Natural Gas	6,159	6,214	9,222	9,830	9,487	8,499
Refrigerants	0	4,468	6,443	7,467	9,814	10,059
Electricity – location-based	151,951	117,422	137,785	136,789	128,828	129,871
Total Scope 1 & 2 GHG emissions (tCO₂-e)	158,176	128,471	153,666	154,469	148,517	148,818
Energy transmission and distribution	26,304	22,668	21,195	20,269	19,495	18,856
Waste to landfill	0	7,073	8,920	10,508	11,376	12,535
Recycled waste	0	2,174	2,641	2,525	2,790	2,687
Water & wastewater	1,326	693	764	1,083	1,202	1,232
Corporate sources	0	1,361	1,452	1,906	1,869	1,859
Total Scope 3 GHG emissions (tCO₂-e)	27,630	33,969	34,972	36,292	36,732	37,169



Appendix A - Dexus portfolio

Dexus portfolio – Absolute and like-for-like inventories

Absolute					Like-for-like ²			12 month change
Metric	Base year ¹	FY16	FY17	FY18	FY17	FY18		
Energy consumption (MWh)								
Non-renewable energy	Diesel	182	772	579	779	537	717	33.5%
	Natural Gas	23,211	31,901	25,192	20,851	19,298	15,439	-20.0%
	Electricity – grid-purchases	83,016	69,907	62,632	66,926	57,812	59,014	2.1%
Renewable energy	Electricity – GreenPower purchases	2,105	4,562	2,393	393	1,725	393	-77.2%
	Solar Energy	0	88	136	151	136	151	10.7%
Total energy consumption (MWh)		108,514	107,230	90,933	89,100	79,508	75,714	-4.8%
Percent energy use from renewable sources (%)		1.9%	4.3%	2.8%	0.6%	2.3%	0.7%	
Water (kL or cubic metres)								
Potable water from water authorities		737,147	884,811	853,211	839,015	765,867	733,214	-4.3%
Recycled water recovery		0	3,800	2,733	4,491	2,733	4,491	64.3%
Total water consumption incl. recycled water		737,147	888,611	855,944	843,506	768,600	737,705	-4.0%
Percent water use from recycled sources (%)		0.0%	0.4%	0.3%	0.5%	0.4%	0.6%	
Waste and recycling (tonnes)								
Waste to landfill		1,513	3,334	3,249	3,735	2,662	2,962	11.3%
Recycled waste		1,665	2,840	2,707	2,695	2,370	2,290	-3.4%
Total waste		3,178	6,175	5,955	6,430	5,032	5,252	4.4%
Diversion from landfill (%)		52.4%	46.0%	45.5%	41.9%	47.1%	43.6%	-7.4%
Percent waste data coverage (office & retail)		69%	96%	99%	100%	98%	100%	
Greenhouse gas emissions (t. CO ₂ -e)								
Scope 1		4,335	9,609	8,877	8,164	7,371	6,781	-8.0%
Scope 2 – location based		78,702	65,863	55,653	56,844	50,313	49,514	-1.6%
Total Scope 1 & 2 location-based GHG emissions		83,037	75,472	64,530	65,008	57,683	56,295	-2.4%
Scope 2 adjustment due to GreenPower purchases		-1,971	-4,369	-2,222	-326	-1,499	-326	-78.3%
Total Scope 1 & 2 market-based GHG emissions		81,066	71,103	62,309	64,682	56,184	55,969	-0.4%
Scope 3		14,614	15,915	14,109	14,507	12,519	12,379	-1.1%
Total Scope 1, 2 & 3 location-based GHG emissions		97,651	91,387	78,639	79,515	70,202	68,674	-2.2%
Total Scope 1, 2 & 3 market-based GHG emissions		95,680	87,018	76,418	79,189	68,703	68,348	-0.5%
Equity-accounted lettable area under operational control (annual weighted average square metres)								
Office		528,437	856,213	816,042	840,382	754,662	754,658	0.0%
Retail		9,459	26,509	22,589	24,048	17,523	18,753	7.0%
Industrial		646,721	629,430	610,600	599,465	554,682	547,585	-1.3%
Energy and emissions productivity (location-based)								
Revenue (\$m)		702	1,072	1,119	1,126			
Energy productivity (\$m revenue per GJ consumed)		1,798	2,778	3,419	3,509	1.95 x Energy productivity		
Scope 1 & 2 emissions productivity (\$m revenue/t.CO ₂ -e)		8,456	14,207	17,344	17,315	2.05x emissions productivity		
Scope 1, 2 & 3 emissions productivity (\$m revenue/t.CO ₂ -e)		7,191	11,733	14,232	14,156	1.97x emissions productivity		

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

2. Properties under management for FY17 and FY18 periods

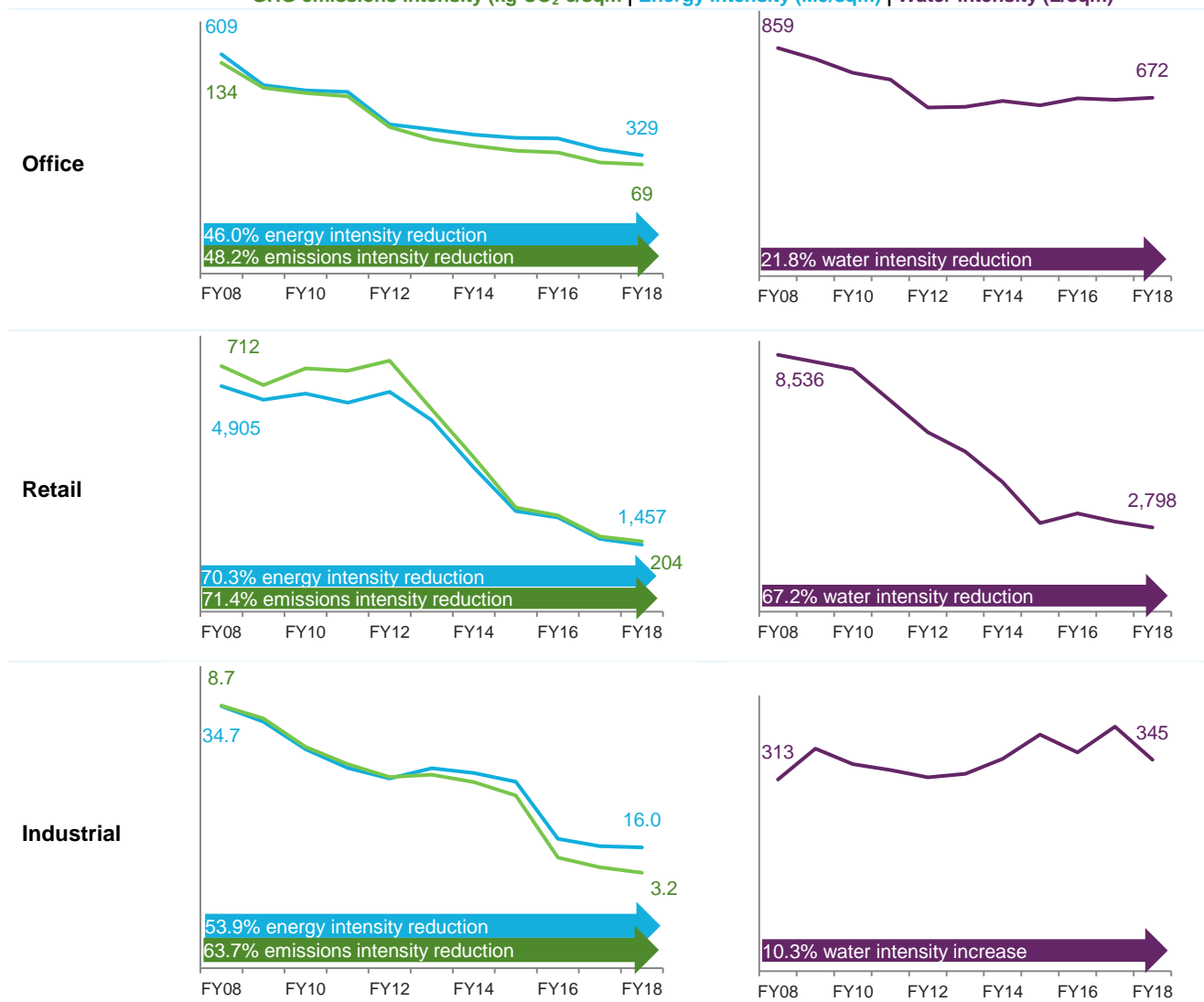


Dexus portfolio - Consumption/emissions on an intensity basis

Metric	Whole portfolio				Like-for-like ²		12 month change
	Base year ¹	FY16	FY17	FY18	FY17	FY18	
Office portfolio	Energy consumption (MJ/sqm)	609	375	345	329	348	-5.4%
	Water consumption (L/sqm)	859	670	664	672	675	1.9%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	134	77	71	69	71	-2.6%
	Waste diversion from landfill (%)	52%	52%	49%	44%	48%	-8.3%
Retail portfolio	Energy consumption (MJ/sqm)	4,905	2,047	1,581	1,457	822	-2.9%
	Water consumption (L/sqm)	8,536	3,266	2,994	2,798	1,921	-7.1%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	712	278	217	204	137	-2.3%
	Waste diversion from landfill (%)	n/a	24%	33%	33%	44%	-1.7%
Industrial portfolio	Energy consumption (MJ/sqm)	34.7	17.1	16.2	16.0	17.0	-0.5%
	Water consumption (L/sqm)	313	357	399	345	401	-17.9%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	8.7	3.7	3.3	3.2	3.5	-4.7%

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under management for FY17 and FY18 periods

GHG emissions intensity (kg CO₂-e/sqm) | Energy intensity (MJ/sqm) | Water intensity (L/sqm)





Appendix B – Funds Management portfolio

Funds Management portfolio– Absolute and like-for-like inventories

Absolute					Like-for-like ²			12 month change
Metric	Base year ¹	FY16	FY17	FY18	FY17	FY18		
Energy consumption (MWh)								
Non-renewable energy	Diesel	42	420	599	522	591	489	-17.1%
	Natural Gas	4,856	12,577	13,241	12,236	12,581	11,579	-8.0%
	Electricity – grid-purchases	44,112	54,801	56,930	57,703	45,840	45,658	-0.4%
Renewable energy	Electricity – GreenPower purchases	614	1,626	1,819	499	1,803	499	-72.3%
	Solar Energy	0	74	121	121	121	121	-0.1%
Total energy consumption (MWh)		49,624	69,498	72,711	71,082	60,936	58,346	-4.2%
Percent energy use from renewable sources (%)		1.2%	2.4%	2.7%	0.9%	3.2%	1.1%	
Water (kL or cubic metres)								
Potable water from water authorities		458,758	664,372	704,055	746,949	587,914	604,470	2.8%
Recycled water recovery		0	3,278	2,733	4,491	2,733	4,491	64.3%
Total water consumption incl. recycled water		458,758	667,650	706,788	751,440	590,647	608,961	3.1%
Percent water use from recycled sources (%)		0.0%	0.5%	0.4%	0.6%	0.5%	0.7%	
Waste and recycling (tonnes)								
Waste to landfill		2,872	3,568	4,546	4,838	3,636	3,607	-0.8%
Recycled waste		1,494	2,503	2,837	2,697	2,492	2,376	-4.7%
Total waste		4,366	6,071	7,383	7,535	6,128	5,983	-2.4%
Diversion from landfill (%)		34.2%	41.2%	38.4%	35.8%	40.7%	39.7%	-2.3%
Percent waste data coverage (office & retail)		88%	92%	96%	98%	96%	98%	1.8%
Greenhouse gas emissions (t. CO ₂ -e)								
Scope 1		908	5,318	6,167	6,180	5,490	5,400	-1.6%
Scope 2 – location based		42,298	49,094	49,855	49,207	41,431	39,970	-3.5%
Total Scope 1 & 2 location-based GHG emissions		43,205	54,412	56,023	55,386	46,921	45,370	-3.3%
Scope 2 adjustment due to GreenPower purchases		-627	-1,552	-1,599	-425	-1,587	-425	-73.2%
Total Scope 1 & 2 market-based GHG emissions		42,578	52,860	54,424	54,961	45,334	44,944	-0.9%
Scope 3		7,146	13,159	14,893	14,598	12,029	11,444	-4.9%
Total Scope 1, 2 & 3 location-based GHG emissions		50,352	67,571	70,915	69,985	58,950	56,814	-3.6%
Total Scope 1, 2 & 3 market-based GHG emissions		49,724	66,019	69,316	69,559	57,363	56,388	-1.7%
Equity-accounted lettable area under operational control (annual weighted average square metres)								
Office		212,653	506,856	519,945	524,126	494,756	494,977	0.0%
Retail		193,886	231,927	243,976	268,957	166,808	171,376	2.7%
Industrial		210,164	452,463	468,453	468,891	450,377	450,816	0.1%

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under management for FY17 and FY18 periods

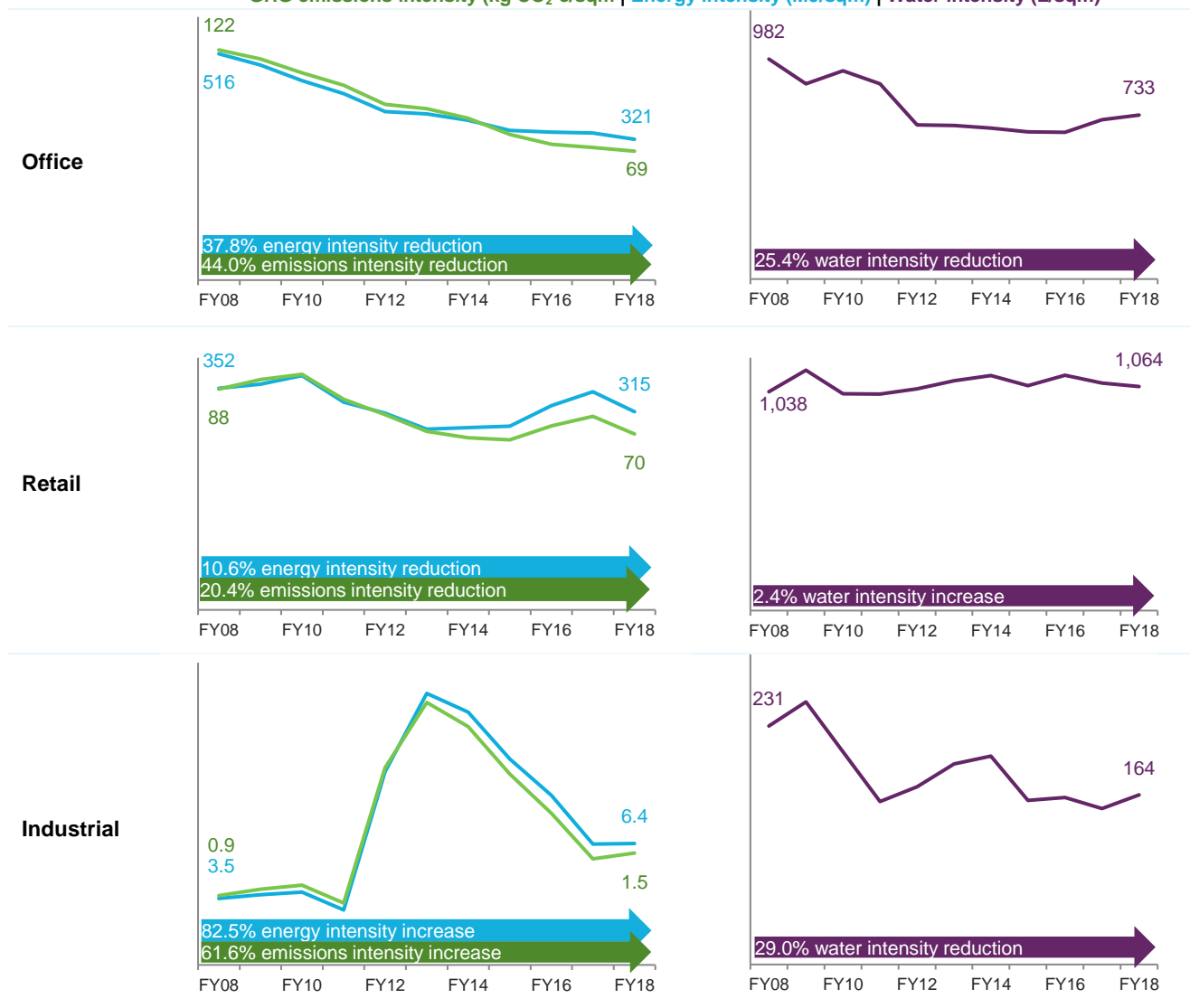


Funds Management portfolio - Consumption/emissions on an intensity basis

Metric	Whole portfolio				Like-for-like ²		12 month change
	Base year ¹	FY16	FY17	FY18	FY17	FY18	
Office portfolio	Energy consumption (MJ/sqm)	516	337	335	321	338	-4.1%
	Water consumption (L/sqm)	982	655	711	733	718	3.5%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	122	72	70	69	72	-2.7%
	Waste diversion from landfill (%)	43%	49%	45%	43%	44%	-5.7%
Retail portfolio	Energy consumption (MJ/sqm)	352	324	346	315	296	-7.6%
	Water consumption (L/sqm)	1,038	1,117	1,080	1,064	988	-4.0%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	88	73	77	70	65	-8.5%
	Waste diversion from landfill (%)	30%	34%	33%	31%	36%	3.8%
Industrial portfolio	Energy consumption (MJ/sqm)	3.5	9.0	6.4	6.4	6.7	0.5%
	Water consumption (L/sqm)	231	162	151	164	150	9.1%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	0.9	2.0	1.4	1.5	1.5	5.5%

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under management for FY17 and FY18 periods

GHG emissions intensity (kg CO₂-e/sqm) | Energy intensity (MJ/sqm) | Water intensity (L/sqm)





Appendix C – Dexus Wholesale Property Fund portfolio

Dexus Wholesale Property Fund – Absolute and like-for-like inventories

Absolute					Like-for-like ²		12 month change	
Metric	Base year ¹	FY16	FY17	FY18	FY17	FY18		
Energy consumption (MWh)								
Non-renewable energy	Diesel	0	274	444	340	436	330	-24.3%
	Natural Gas	3,379	4,857	5,194	4,472	4,879	4,193	-14.1%
	Electricity – grid-purchases	20,212	28,212	32,022	32,356	24,548	24,526	-0.1%
Renewable energy	Electricity – GreenPower purchases	465	828	780	45	780	45	-94.3%
	Solar Energy	0	68	117	116	117	116	-0.4%
Total energy consumption (MWh)		24,056	34,239	38,558	37,329	30,760	29,209	-5.0%
Percent energy use from renewable sources (%)		1.9%	2.6%	2.3%	0.4%	2.9%	0.6%	
Water (kL or cubic metres)								
Potable water from water authorities		217,760	367,171	406,020	438,501	333,801	348,320	4.3%
Recycled water recovery		0	3,209	2,548	1,586	2,548	1,586	-37.8%
Total water consumption incl. recycled water		217,760	370,380	408,568	440,086	336,349	349,906	4.0%
Percent water use from recycled sources (%)		0.0%	0.9%	0.6%	0.4%	0.8%	0.5%	
Waste and recycling (tonnes)								
Waste to landfill		1,068	1,523	2,453	2,699	1,848	1,832	-0.8%
Recycled waste		563	1,002	1,329	1,230	1,131	1,055	-6.7%
Total waste		1,632	2,525	3,782	3,928	2,979	2,887	-3.1%
Diversion from landfill (%)		34.5%	39.7%	35.1%	31.3%	38.0%	36.5%	-3.8%
Percent waste data coverage (office & retail)		79%	85%	93%	96%	92%	96%	3.7%
Greenhouse gas emissions (t. CO ₂ -e)								
Scope 1		624	2,130	2,713	2,774	2,312	2,323	0.5%
Scope 2 – location based		20,901	25,343	27,505	27,081	21,741	21,077	-3.1%
Total Scope 1 & 2 location-based GHG emissions		21,526	27,473	30,218	29,855	24,053	23,400	-2.7%
Scope 2 adjustment due to GreenPower purchases		-494	-851	-704	-48	-704	-48	-93.1%
Total Scope 1 & 2 market-based GHG emissions		21,032	26,623	29,514	29,807	23,349	23,352	0.0%
Scope 3		3,301	6,309	8,346	8,098	6,453	6,017	-6.7%
Total Scope 1, 2 & 3 location-based GHG emissions		24,827	33,782	38,564	37,953	30,506	29,417	-3.6%
Total Scope 1, 2 & 3 market-based GHG emissions		24,333	32,931	37,860	37,905	29,801	29,369	-1.5%
Equity-accounted lettable area under operational control (annual weighted average square metres)								
Office		107,188	239,184	263,133	268,439	259,770	260,921	0.4%
Retail		62,978	123,160	133,099	149,562	84,234	85,939	2.0%
Industrial		85,343	307,255	305,361	305,969	305,361	305,969	0.2%

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under management for FY17 and FY18 periods



Dexus Wholesale Property Fund - Consumption/emissions on an intensity basis

		Whole portfolio				Like-for-like ²		12 month change
	Metric	Base year ¹	FY16	FY17	FY18	FY17	FY18	
Office portfolio	Energy consumption (MJ/sqm)	590	347	349	327	344	324	-5.8%
	Water consumption (L/sqm)	1,184	698	791	855	782	842	7.6%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	147	77	75	72	74	72	-3.4%
	Waste diversion from landfill (%)	42%	53%	44%	41%	45%	41%	-7.4%
Retail portfolio	Energy consumption (MJ/sqm)	365	300	334	293	223	208	-6.8%
	Water consumption (L/sqm)	1,085	1,170	1,084	1,033	915	864	-5.6%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	91	68	76	67	51	48	-5.9%
	Waste diversion from landfill (%)	27%	28%	27%	26%	30%	33%	10.2%
Industrial portfolio	Energy consumption (MJ/sqm)	3.6	10.7	8.3	8.9	8.3	8.9	6.2%
	Water consumption (L/sqm)	264	182	175	178	175	178	1.4%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	0.9	2.3	1.7	2.0	1.7	2.0	14.9%

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under management for FY17 and FY18 periods

GHG emissions intensity (kg CO₂-e/sqm) | Energy intensity (MJ/sqm) | Water intensity (L/sqm)





Appendix D – Dexus Office Trust portfolio

Dexus Office Trust – Absolute and like-for-like inventories

		Absolute				Like-for-like ²		12 month change
Metric		Base year ¹	FY16	FY17	FY18	FY17	FY18	
Energy consumption (MWh)								
Non-renewable energy	Diesel	182	717	535	723	493	660	33.9%
	Natural Gas	16,506	23,044	18,086	16,905	12,192	11,494	-5.7%
	Electricity – grid-purchases	50,842	54,806	47,286	51,142	42,585	43,317	1.7%
Renewable energy	Electricity – GreenPower purchases	1,599	2,749	2,257	393	1,589	393	-75.3%
	Solar Energy	0	88	136	151	136	151	10.7%
Total energy consumption (MWh)		69,130	81,403	68,301	69,314	56,995	56,015	-1.7%
Percent energy use from renewable sources (%)		2.3%	3.5%	3.5%	0.8%	3.0%	1.0%	
Water (kL or cubic metres)								
Potable water from water authorities		387,939	556,353	504,121	523,577	437,983	444,193	1.4%
Recycled water recovery		0	3,278	2,733	4,491	2,733	4,491	64.3%
Total water consumption incl. recycled water		387,939	559,631	506,854	528,068	440,716	448,684	1.8%
Percent water use from recycled sources (%)		0.0%	0.6%	0.5%	0.9%	0.6%	1.0%	
Waste and recycling (tonnes)								
Waste to landfill		965	2,892	2,750	3,219	2,164	2,446	13.0%
Recycled waste		1,166	2,364	2,273	2,308	1,936	1,902	-1.8%
Total waste		2,131	5,256	5,023	5,526	4,100	4,348	6.0%
Diversion from landfill (%)		54.7%	45.0%	45.2%	41.8%	47.2%	43.7%	-7.4%
Percent waste data coverage (office & retail)		58%	95%	98%	100%	98%	100%	2.0%
Greenhouse gas emissions (t. CO ₂ -e)								
Scope 1		3,096	7,359	6,963	6,878	5,456	5,495	0.7%
Scope 2 – location based		48,686	50,909	42,227	43,520	36,986	36,263	-2.0%
Total Scope 1 & 2 location-based GHG emissions		51,782	58,268	49,190	50,398	42,443	41,757	-1.6%
Scope 2 adjustment due to GreenPower purchases		-1,502	-2,690	-2,082	-326	-1,359	-326	-76.0%
Total Scope 1 & 2 market-based GHG emissions		50,281	55,578	47,108	50,072	41,084	41,431	0.8%
Scope 3		8,589	12,583	11,036	11,565	9,473	9,464	-0.1%
Total Scope 1, 2 & 3 location-based GHG emissions		60,371	70,851	60,226	61,963	51,915	51,221	-1.3%
Total Scope 1, 2 & 3 market-based GHG emissions		58,869	68,161	58,145	61,637	50,556	50,895	0.7%
Equity-accounted lettable area under operational control (annual weighted average square metres)								
Office		345,258	679,903	639,784	664,444	578,404	578,720	0.1%
Retail		9,459	26,509	22,589	24,048	17,523	18,753	7.0%

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under management for FY17 and FY18 periods



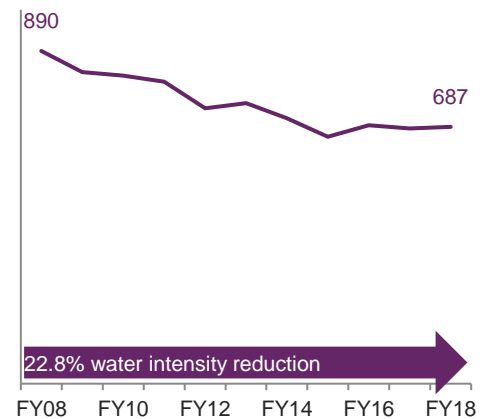
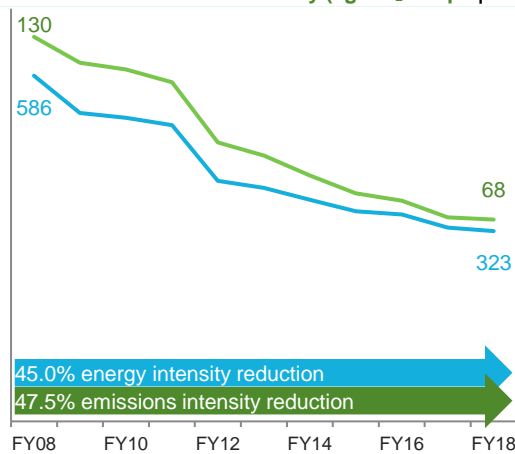
Dexus Office Trust - Consumption/emissions on an intensity basis

Metric	Whole portfolio				Like-for-like ²		12 month change
	Base year ¹	FY16	FY17	FY18	FY17	FY18	
Office portfolio	Energy consumption (MJ/sqm)	586	351	329	323	330	-2.2%
	Water consumption (L/sqm)	890	691	682	687	699	1.5%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	130	75	69	68	69	-2.0%
	Waste diversion from landfill (%)	55%	52%	49%	44%	48%	-8.5%
Retail portfolio	Energy consumption (MJ/sqm)	4,905	2,047	1,581	1,457	822	-2.9%
	Water consumption (L/sqm)	8,536	3,266	2,994	2,798	1,921	-7.1%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	712	278	217	204	137	-2.3%
	Waste diversion from landfill (%)	n/a	24%	33%	33%	44%	-1.7%

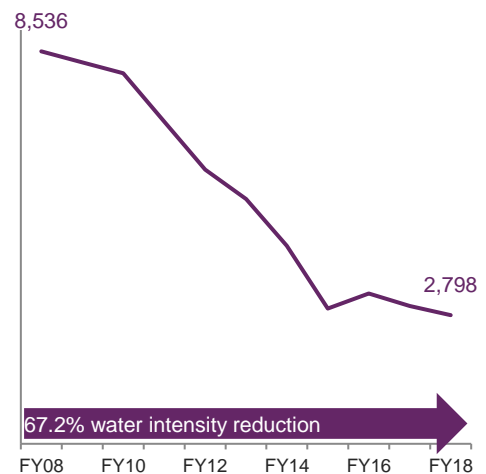
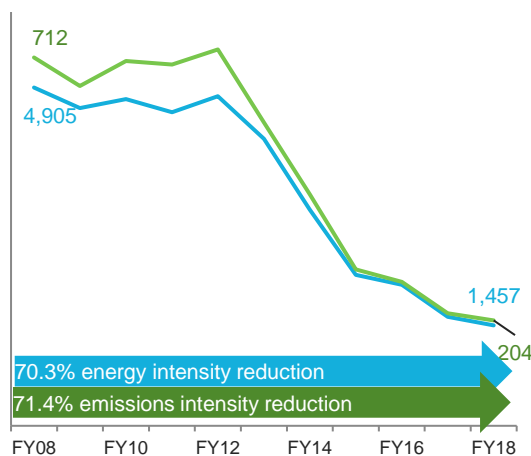
1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under management for FY17 and FY18 periods

GHG emissions intensity (kg CO₂-e/sqm) | Energy intensity (MJ/sqm) | Water intensity (L/sqm)

Office



Retail



10 years
being listed
as Dexu

dexu