

What we found

Based on the work described below, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended 30 June 2018 has not been prepared, in all material respects, in accordance with the Assurance Criteria.

To the Board of Directors of DEXUS Funds Management Limited,

What we did

DEXUS Funds Management Limited (DEXUS) engaged PricewaterhouseCoopers (PwC) to perform a limited assurance engagement on the preparation of selected Subject Matter contained within their 2018 Performance Pack in accordance with the Assurance Criteria for the year ended 30 June 2018.

Selected subject matter

The Subject Matter included within the scope of our engagement comprised the following performance metrics contained within the 2018 Integrated Online Reporting Suite presented at: <http://www.dexus.com/who-we-are/corporate-responsibility-and-sustainability/sustainability-performance>

- Total net energy consumption **718,207 GJ**
- Total Scope 1, 2 and 3 greenhouse gas (GHG) emissions **185,987 tCO₂-e**
- Total water consumption **1,863,608 kL**
- Total waste **17,301 t**
- Percentage of women in workforce **54%**
- Percentage of females in senior management team **34%**
- Percentage of female Non-Executive Directors **43%**
- Absentee rate (sick days lost per FTE) **2.8**
- Lost time injury frequency rate (LTIFR) **1.28**

Assurance Criteria

The criteria against which we assessed the Subject Matter was prepared by DEXUS and is titled 2018 Reporting Criteria presented at: <http://www.dexus.com/who-we-are/corporate-responsibility-and-sustainability/reports> and included as Appendix 1 to our Assurance Report.

Independence and Quality Control

We have complied with relevant ethical requirements related to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities

PricewaterhouseCoopers

Our responsibility is to express a conclusion based on the work we performed.

DEXUS

DEXUS management is responsible for the preparation and presentation of the Subject Matter in accordance with the Assurance Criteria.

What our work involved

We conducted our work in accordance with the Australian Standard on Assurance Engagements 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Australian Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements*. These standards require that we comply with independence and ethical requirements and plan the engagement so that it will be performed effectively.

Main procedures performed

Our procedures consisted primarily of:

- Undertaking enquiries of management regarding the processes and controls for capturing, collating and reporting the Subject Matter
- Reconciling the Subject Matter with DEXUS underlying records
- Agreeing underlying records back to supporting third party documentation on a sample basis
- Undertaking analytical review procedures over data and obtaining explanations from management regarding unusual or unexpected amounts
- Assessing the reasonableness of any material estimates made in preparing the Subject Matter
- Assessing the appropriateness of the GHG emission factors applied in calculating the Total Scope 1, 2 and 3 GHG emissions and testing the arithmetical accuracy of the GHG emission calculations and
- Reviewing DEXUS' Assurance Criteria to ensure that it is appropriate for assurance and assessing the preparation and collation of the Subject Matter against the Assurance Criteria.

We believe that the information we have obtained is sufficient and appropriate to provide a basis for our conclusion.

John Tomac

John Tomac
Partner
23 August 2018

PricewaterhouseCoopers

PricewaterhouseCoopers
Sydney

Liability limited by a scheme approved under Professional Standards Legislation

Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected.

Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and sampling or estimating such data.

Restriction on use

This report has been prepared in accordance with our engagement terms to assist DEXUS in reporting its sustainability performance.

Our report is intended solely for the Directors of DEXUS. We do not accept or assume responsibility for the consequences of any reliance on this report for any other purpose or to any other person or organisation.

Any reliance on this report by any third party is entirely at its own risk. We consent to the inclusion of this report within the 2018 Integrated Online Reporting Suite presented at:

<http://www.dexus.com/who-we-are/corporate-responsibility-and-sustainability/sustainability-performance> to assist DEXUS' members in assessing whether the directors have discharged their responsibilities by commissioning an independent assurance report in connection with the selected Subject Matter.

We accept no responsibility for the integrity and security of the DEXUS website, which is the responsibility of DEXUS management. This report is not intended to relate to, or to be read in conjunction with, any information that may appear on the DEXUS website other than the Subject Matter and Assurance Criteria. Readers of this report on the DEXUS website (who may read it for their information only) should bear in mind the inherent risk of the website changing after the date of our report.

Limited assurance

This engagement is aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement.

Professional standards require us to use negative wording in the conclusion of a limited assurance report.

2018 reporting criteria



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

The following criteria were used by Dexus to prepare the selected subject matter assured by PricewaterhouseCoopers (PwC) included within the 2018 Dexus Performance Pack set out below.

Section of CR&S Reporting	Matter subject to assurance
Environment	<ul style="list-style-type: none"> - Total scope 1, 2 and 3 greenhouse gas emissions (GHG) (t CO₂-e) - Total net energy consumed (electricity, natural gas, diesel, solar) (GJ) - Total water consumed (kL) - Total waste (tonnes)
<ul style="list-style-type: none"> - Group environmental summary 	
Employees	<ul style="list-style-type: none"> - HR Indicators - Percentage of female employees - Percentage of females in senior management - Percentage of female non-executive directors - Absentee rate (days per employee) - Safety indicators - Lost time injury frequency rate
<ul style="list-style-type: none"> - Work statistics - Engagement and leave - Work health & safety, and discrimination 	

Dexus believes that underlying data presented for other areas of the 2018 Annual Report is sound.

Parameters used in the preparation of the subject matter - Environment

Dexus applied the following parameters in calculating the reported GHG emissions, energy and water consumption data, and waste data described above:

Item	Description
Reporting period	1 July 2017 to 30 June 2018
Reporting boundary	<p>Unless otherwise stated, Dexus applied the principles contained within the <i>National Greenhouse and Energy Reporting Act 2007</i> (NGERA) and its associated guidelines. Unless otherwise stated below, the reporting boundary comprises those facilities in Australia which fall under the operational control of members of the group of which Dexus Holdings Limited is the controlling corporation for part of all of the 12 months ending June 30, 2018.</p> <p>The operations covered under the scope of reporting are consistent with Dexus's operation as a property business, being:</p> <ol style="list-style-type: none"> 1. Property investment including directly owned assets and assets managed on behalf of third party investors. Property investment comprises: <ol style="list-style-type: none"> a. Office assets b. Industrial assets c. Retail assets. 2. Occupied premises being Dexus occupied tenancies. <p>Property development is excluded from the boundary of operational control for Australia. Operational control of the development site is handed over at Practical Completion of the development.</p>

Total Scope 1, 2 and 3 GHG emissions

Total Scope 1, 2, and 3 GHG emissions comprises emissions within the reporting boundary for Australia as calculated using the formula below:

$$\begin{aligned} \text{Total Scope 1, 2, and 3 GHG emissions} \\ &= \text{Scope 1 GHG Emissions} \\ &+ \text{Scope 2 (location based) GHG Emissions} \\ &+ \text{Scope 3 GHG Emissions} \end{aligned}$$



Where:

Scope 1 GHG Emissions, Scope 2 (location based) GHG Emissions and Scope 3 GHG Emissions are as defined within this criterion.

'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and have been adopted by the NGERA.

Reporting is in alignment with the NGERA and its associated guidelines with the exception of Scope 3 GHG emissions as described below. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).

Scope 1 GHG emissions

Scope 1 emissions (direct emissions) comprise GHG emission under associated with fuel combustion and use of hydrofluorocarbons for the following sources:

- **Natural gas** (used for heating air and water). Natural gas data is derived from supply authority billing. Meter data and/or estimated data is applied based on Dexus's methodology, set out below, if billing data is unavailable at the time of reporting.
- **Diesel Oil (Diesel)**. Diesel data is collected from site operations managers and is sourced from delivery invoices for diesel purchases and periodic diesel tank level readings. Billing data and/or estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting.
- **Refrigerant gases** (used within air conditioning equipment). The data for refrigerant gases is derived from a refrigerant register that lists all equipment under Dexus operational control containing hydrofluorocarbons reportable under NGERA.

Dexus does not have company fleet vehicles and no vehicle related emissions have been reported.

Scope 1 emissions have been calculated according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2017*.

Scope 2 GHG emissions (location-based)

Scope 2 GHG emissions (location-based) comprise indirect GHG emissions associated with grid-purchased electricity used for lighting and power. The data is provided by supply authority billing. Meter and/or estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting.

Scope 2 emissions have been calculated using published average grid emission factors according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2017*.

Scope 3 GHG emissions

Scope 3 emissions (other indirect emissions) comprise GHG associated with transmission and distribution losses ("energy losses") associated with energy use, waste sent to landfill, recycled waste, and water/wastewater use, and emissions from corporate operations including office paper use, corporate travel and employee commuting.

Data for energy losses is that used to calculate scope 1 and 2 emissions.

Data for waste to landfill and recycled waste is provided by waste contractors directly or collated by site managers from data provided by waste contractors. Estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting.

Data for water consumption is provided by water utilities. Estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting.

Data for corporate operations has been compiled in accordance with the *Australian National Carbon Offset Standard (NCOS), version 4, November 2017*.

Scope 3 emissions for energy and waste to landfill have been calculated according to the *National Greenhouse Accounts (NGA) Factors, July 2017*.

Scope 3 emissions for recycled waste have been calculated according to *Department of Sustainability, Environment, Water, Population and Communities: A study into commercial & industrial (C&I) waste and recycling in Australia by industry division: 2013, Table 21: Greenhouse gas impacts of landfilling and recycling materials*.



	<p>Scope 3 emissions for water/wastewater have been calculated using factors derived from the <i>Australian Bureau of Meteorology Urban National Performance Report 2017</i> http://www.bom.gov.au/water/npr/</p> <p>Emissions for corporate air travel have been calculated according to the <i>2017 Government GHG Conversion Factors for Company Reporting</i> and associated <i>2017 Carbon Factors</i> published by the United Kingdom's Department of Environment, Food and Rural Affairs (DEFRA).</p>
Energy consumed	<p>Energy consumed comprises natural gas, diesel and electricity purchased by Dexus for facilities within the reporting boundary for Australia.</p> <p>Energy consumed also comprises secondary electricity that is generated from conversion of solar energy, and natural gas or diesel via combustion, for consumption within the facility.</p> <p>Energy consumed is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors specified within the <i>National Greenhouse and Energy Reporting (Measurement) Determination, July 2017</i>.</p> <p>Energy consumption has been based on quantities invoiced or metered by suppliers. Estimates are used when billing data is unavailable and these are based on Dexus's methodology, drawing from secondary sources such as meter data or based on seasonal historical estimates.</p>
Energy produced	<p>Energy produced comprises energy captured from natural sources and the manufacture of energy from transformation from another fuel source within Dexus for facilities within the reporting boundary for subsequent consumption onsite or export offsite.</p> <p>Energy produced comprises:</p> <ul style="list-style-type: none">- Electricity production from solar radiation (solar PV). The data for electricity production from solar radiation is derived from site based sub meters. Estimated data is applied based on Dexus's methodology if meter data is unavailable at the time of reporting.- Electricity production from thermal generation (cogeneration and diesel generators). Data for electricity production from thermal generation is derived direct measurement or from incoming natural gas or diesel utility data that is multiplied by efficiency factors of 32% for natural gas and 40% for diesel, which represent the estimated electricity yield. Estimated data is applied based on Dexus's methodology if meter data is unavailable at the time of reporting. <p>Energy produced is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors specified within the <i>National Greenhouse and Energy Reporting (Measurement) Determination, July 2017</i>.</p>
Total net energy consumed	<p>Total net energy consumed is defined as the energy consumed minus the energy produced within the reporting boundary.</p>
Water consumption	<p>Water consumption is based on quantities invoiced or metered by suppliers.</p> <p>Water consumption comprises:</p> <ul style="list-style-type: none">- Water purchased by Dexus from local water authorities and suppliers for assets for which Dexus has operational control- Water purchased by Dexus on behalf of industrial assets which are under the operational control of tenants, but where the asset has water outlets that Dexus can use for landscaping and external cleaning or external amenities <p>Water consumption excludes water use from onsite water recycling and rainwater harvesting.</p>
Total waste	<p>Total waste is based on volume or weight quantities invoiced by waste contractors.</p> <p>Total waste comprises:</p> <ul style="list-style-type: none">- Waste measured in weight that is sent to landfill by waste and cleaning contractors on behalf of Dexus and our customers for office and retail assets for which Dexus has operational control.- Recycling measured in weight that is diverted from landfill by waste and cleaning contractors on behalf of Dexus and our customers for office and retail assets for which Dexus has operational control.- Where waste and recycling data is based off volumes rather than actual weights, waste contractors use a predetermined density factor in order to report to Dexus in weight. Waste contractors may apply different density factors based on their historical analysis of different waste collection practices employed at Dexus facilities. For example, there may be variations in bin size and average bin fullness across different facilities.



Total waste excludes waste to landfill and recycling for industrial assets as Dexus does not have operational control over waste collection.
Furthermore, waste data is not available for all office and retail facilities. The site area of those facilities that have been reported represents 99% of the total lettable area of retail and office facilities.

Data confidence and estimation	<p>Where primary data such as utility invoices have not been received, estimates are applied using the following prioritised data methodology:</p> <ol style="list-style-type: none"> 1. 30-minute interval electricity, natural gas and water metering data supplied by MP/MDA Metering Dynamics 2. Estimated data using an estimate that accounts for seasonal variances derived by: <ol style="list-style-type: none"> a. Derived from an actual figure for the same period in the prior year, adjusted for the length of the gap. b. Derived from an actual figure for the prior month, adjusted for the length of the gap c. Interpolation between two adjacent actual readings, adjusted for the length of the gap 3. Estimated data using the monthly average for the previous 12 month period.
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Parameters used in the preparation of the subject matter - Employees

Dexus applied the following parameters in calculating the reported workforce diversity statistics, absenteeism and safety statistics described above:

Item	Description
Reporting period	1 July 2017 to 30 June 2018
Reporting boundary	<p>Unless otherwise stated below, the reporting boundary comprises employees ('Dexus workforce', 'Dexus employees') across facilities in Australia which fall under the operational control of members of the group of which Dexus Holdings Limited is the controlling corporation.</p> <p>The 'Dexus workforce' or 'Dexus employees' includes staff employed full-time, part-time, on fixed term contracts and on a casual basis and excludes independent consultants/service providers and temporary staff sourced via external agencies.</p>
Number of workers	<p>Number of workers - Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2018. Persons who were absent from work on extended paid or unpaid leave as recorded at 30 June 2018 are excluded from this calculation. Headcount data for the purpose of these statistics is based on Full Time Equivalent (FTE) employees, representing the active Dexus workforce.</p>
Number of hours worked	<p>Number of hours worked in the period - Refers to the total scheduled number of hours of all Dexus employees as recorded at 30 June 2018. 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.</p>
Percentage of female employees	<p>The percentage of female full time equivalent workers employed is calculated as follows:</p> $Female\ employees\ (\%) = \frac{number\ of\ female\ workers}{total\ number\ of\ workers}$ <p>Where: Number of workers – as defined above Number of female workers – A subset of the number of workers defined above who identify themselves as female</p>
Percentage of females in senior management	<p>'Senior Management team' includes <i>executive management and senior management positions</i> within the Dexus workforce.</p> <p>Where: Executive management and senior management positions include Dexus employees whose role is mapped to one of the following four occupational categories: 'CEO/head of</p>

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). Refer to: <https://www.wgea.gov.au/sites/default/files/standardised-categories-managers.pdf>



The percentage of females in senior management is calculated as follows:

$$\text{Females in senior management (\%)} = \frac{\text{number of female senior managers}}{\text{total number of senior managers}}$$

Where:

Number of senior managers – A subset of the total number of workers with a 'Senior Management team' corporate title as defined above

Number of female workers – A subset of the number of senior managers defined above who identify themselves as female

Percentage of female non-executive directors

The percentage of female non-executive directors is calculated as follows:

$$\text{Female non executive directors (\%)} = \frac{\text{number of female non executive directors}}{\text{total number of non executive directors}}$$

Where:

Number of non-executive directors – The total number of non-executive directors of Dexus Holdings Limited as recorded at 30 June 2018

Number of female non-executive directors – A subset of the number of non-executive directors defined above who identify themselves as female

Absentee Rate

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

$$AR = \frac{\text{number of sick leave and carers leave days}}{\text{number of workers}}$$

Where:

Number of workers – as defined above

Work health & safety definitions

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.

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 2018*, from the Global Reporting Initiative (GRI) Standards.

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 an approved workers compensation 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 arising from the work situation or activity

Lost Time Injury Frequency Rate (LTIFR)

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

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

Where:

Number of lost time injuries/diseases – the number of lost-time injuries/diseases recorded during the reporting period as defined above

Number of hours worked in the period – as defined above

Criteria for reporting on selected information not included within the scope for assurance



Dexus makes the following additional definitions to support additional environmental disclosure within its 2018 reporting:

Item	Description				
<p>Total Scope 1, 2 and 3 GHG market-based emissions</p>	<p>Total Scope 1, 2, and 3 GHG market-based emissions comprises emissions within the reporting boundary for Australia as calculated using the formula below:</p> $ \begin{aligned} & \text{Total 1, 2, and 3 GHG market – based emissions} \\ & = \text{Scope 1 GHG Emissions} \\ & + \text{Scope 2 (market based) GHG Emissions} \\ & + \text{Scope 3 GHG Emissions} \end{aligned} $ <p>Where:</p> <p>Scope 1 GHG Emissions, Scope 2 (market based) GHG Emissions and Scope 3 GHG Emissions are as defined within this criterion.</p> <p>'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in <i>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard</i> and have been adopted by the NGERA.</p> <p>GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).</p>				
<p>Scope 2 GHG emissions (market-based)</p>	<p>Scope 2 GHG emissions (market-based) comprise indirect GHG emissions associated with grid-purchased electricity used for lighting and power. The data is provided by supply authority billing. Meter and/or estimated data is applied based on Dexus's methodology if billing data is unavailable at the time of reporting. Electricity purchases are identified, aggregated and emissions are calculated separately applying:</p> <ul style="list-style-type: none"> - 'market-based' accounting for Scope 2 emissions for electricity purchases that can be accounted using source-based scope emission factors evidenced by <i>electricity attribute certificates</i>, as defined below - 'location-based' accounting for Scope 2 emissions for remaining electricity purchases not evidenced by <i>electricity attribute certificates</i> using published average grid emission factors, as defined below. <p>Where:</p> <p>'Location-based' accounting for Scope 2 emissions involves accounting for electricity purchases using published average grid emission factors, as defined within <i>The Greenhouse Gas Protocol: Scope 2 Guidance</i>.</p> <p>Dexus has calculated Scope 2 emissions for 'location-based' electricity purchases using published average grid emission factors according to the <i>National Greenhouse and Energy Reporting (Measurement) Determination, July 2017</i>.</p> <p>'Market-based' Scope 2 emissions involve separate accounting for any type of energy or energy attributed to a purchase via a contractual instrument, using source-based scope 2 emission factors evidenced by electricity attribute certificates, as defined within <i>The Greenhouse Gas Protocol: Scope 2 Guidance</i>.</p> <p>These instruments are termed "energy attribute certificates", flow from energy generation facilities to energy suppliers and ultimately energy consumers in order to support consumer claims about the type of energy used and its related attributes—such as GHG emissions—produced at the point of generation.</p> <p>In line with <i>The Greenhouse Gas Protocol: Scope 2 Guidance</i>. The GHG emission coefficients from the table above apply to Scope 2 emissions only, with Scope 3 emissions calculated using the relevant state-based grid GHG emissions coefficient.</p> <p>'Energy attribute certificates': Dexus recognises the following schemes and certificates as energy attribute certificates and has applied the nominated GHG emission coefficients listed in the table below for quantities of electricity purchased and consumed, or volumes of certificates that retired under these schemes.</p> <table border="1" data-bbox="587 1906 1273 1971"> <thead> <tr> <th data-bbox="587 1906 1114 1971">Energy attribute certificate scheme</th> <th data-bbox="1114 1906 1273 1971">Scope 2 emission factor</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Energy attribute certificate scheme	Scope 2 emission factor		
Energy attribute certificate scheme	Scope 2 emission factor				

GreenPower – electricity generated under the National GreenPower Accreditation Program (https://www.greenpower.gov.au/)	0
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Large Scale Generation Certificates (LGCs) and Small-scale Technology Certificates (STCs) created by accredited renewable energy power stations under Australia's Renewable Energy Target, administered by the Clean Energy Regulator	0
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Contracts for electricity, such as power purchase agreements (PPAs) and contracts from specified sources, where electricity attribute certificates do not exist or are not required for a usage claim.	Source specific
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Dexus has used tax invoices for the purchase of GreenPower and records of retirements of certificates in their relevant registries to evidence the volumes of electricity reported under its market-based approach.

Total Net Scope 1, 2 and 3 GHG emissions

Total GHG comprises Scope 1 GHG emissions + Scope 2 (market-based) GHG emissions + Scope 3 GHG emissions – GHG offsets within the reporting boundary for Australia, as defined within this criterion, where:

'GHG offsets' comprises carbon offsets or carbon credits equivalent offset units eligible under the National Carbon Offset Standard, administered by the Australian Department of the Environment and Energy.

The National Carbon Offset Standard provides a list of eligible offset units that have been assessed as meeting the Standard's offsets integrity principles. These principles are designed to ensure that eligible offset units represent genuine and credible emission reductions.

GHG offsets are created by eligible projects under recognised schemes and each offset represents 1 tonne of abated or avoided carbon dioxide equivalent.

GHG offsets are created and tracked through market registers.

'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and have been adopted by the NGERA.

Reporting is in alignment with the NGERA and its associated guidelines with the exception of Scope 3 GHG emissions as described above. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).

21 August 2018