PUBLIC DISCLOSURE STATEMENT

DEXUS HOLDINGS PTY LIMITED

ORGANISATION
FY2019-20

Australian Government

Climate Active
Public Disclosure Statement

dexus

An Australian Government Initiative

Climate Active

NAME OF CERTIFIED ENTITY: Dexus Holdings Pty Limited

REPORTING PERIOD: 1 July 2019 – 30 June 2020

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

Signature Date:30 October 2020

Name of Signatory: Rob Sims

Position of Signatory: Senior Manager, Group Sustainability and Energy

Australian Government
Department of Industry, Science, Energy and Resources

1. CARBON NEUTRAL INFORMATION

Description of certification

Dexus is a signatory to Australia's Carbon Neutral Program, which is administered by the federal Department of Industry, Science, Energy and Resources. Each year the Group develops an emissions inventory in line with the program's Climate Active Carbon Neutral Standard across its Corporate Operations.

The Group has offset direct emissions from refrigeration and electricity usage and indirect emissions generated by waste and recycling, water and wastewater, paper use, airline travel and car mileage for national employees, taxi travel, hire cars and employee commuting.

"We see our Climate Active certification as an effective way to engage staff, enhance our ESG leadership, and support our net zero and SBTi targets"

Organisation description

Dexus is one of Australia's leading Real Estate Investment Trusts, investing directly in high quality Australian office, and industrial properties, with $32 billion of assets under management. Listed on the Australian Securities Exchange, Dexus also actively manages office, industrial, retail, and healthcare properties located in key Australian markets on behalf of third-party capital partners.

Dexus is Australia's preferred office partner with 1.8 million square metres of office space spanning across 51 office properties around Australia and is the largest owner of office buildings in the Sydney CBD, Australia's largest office market.

With over 35 years of expertise in property investment, development, and asset management, the Group has a proven track record in capital and risk management, providing service excellence to tenants, and delivering superior risk-adjusted returns for our investors.

Dexus aims to maximise resource efficiency and minimise the overall environmental impact of operations across properties it acquires, owns, manages, and develops.

Dexus has a proud record of developing and implementing leading sustainability practices. As a responsible property investor, manager, and developer, Dexus integrates our Sustainability Approach across the property lifecycle to create sustained value for our people, customers, communities, cities, and the environment by embracing connectivity, liveability, and resilience.

Experience has demonstrated that a holistic approach – from the boardroom to the plant room – reduces operating costs, enhances property values, and improves tenant satisfaction, resulting in long term returns for investors together with lower environmental risks.

As a signatory to the United Nations Principles of Responsible Investment (UNPRI), Dexus has a commitment to invest responsibly and raise awareness of responsible investment with our stakeholders. In recognition of the UNPRI, Dexus delivers sustainability benefits, keeping four guiding values at the forefront

of our business:

- Investing responsibly, managing properties and consolidating property services
- Achieving positive environmental outcomes through business operations
- Identifying material issues through stakeholder engagement
- Delivering responsible outcomes for the community

The Group's commitment to sustainable performance has been recognised through the inclusion in several global benchmarks, including:

- Dow Jones Sustainability Index (World, Asia Pacific and Australia Indices)
- FTSE4Good Index
- CDP
- Global Real Estate Sustainability Benchmark

Dexus is a founding member of the City of Sydney's Better Buildings Partnership and a member of the Investor Group on Climate Change.

2. EMISSION BOUNDARY

Diagram of the certification boundary

Quantified

Electricity

Stationary energy

Water

Waste

Telecommunications

Data centres

Business travel

IT equipment

Printing & stationery

Courier services

Paper

Food & catering

Refrigerants

Employee commuting

Working from home

Non-quantified

Cleaning services

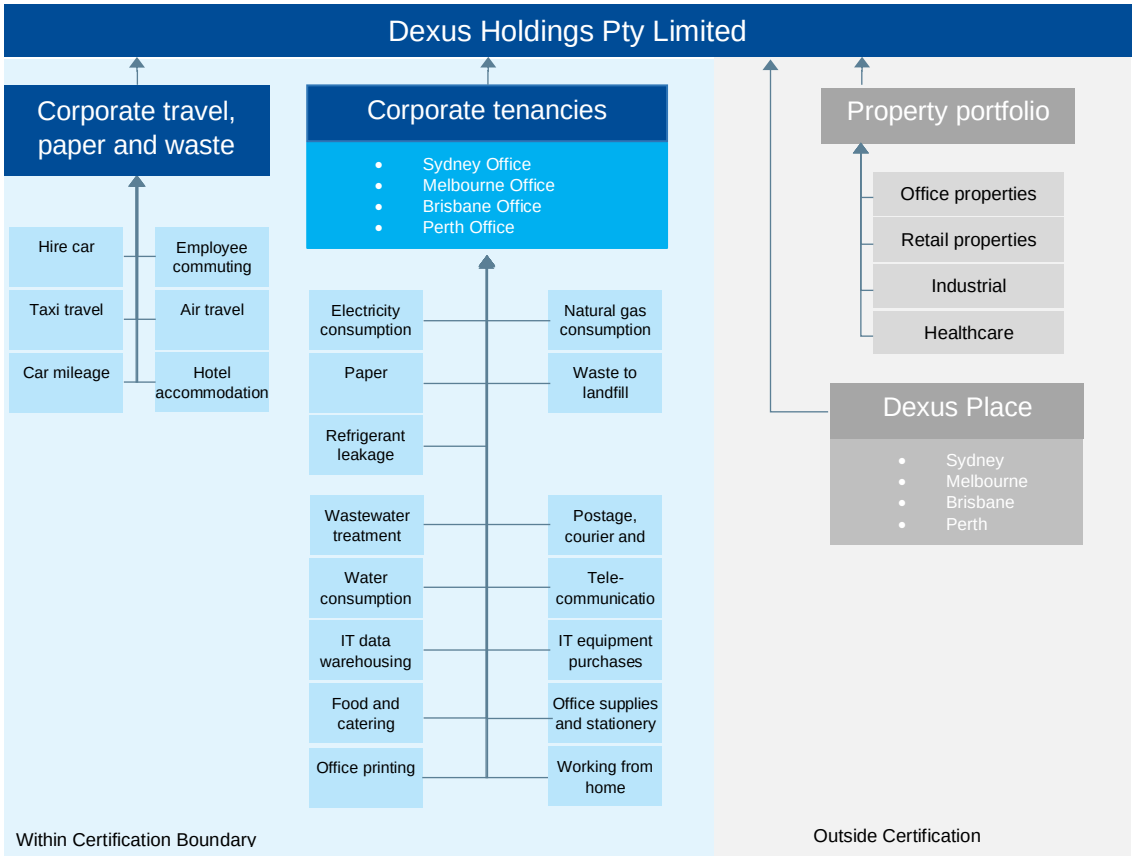
Excluded

Office fixtures and fittings

Non-quantified sources

Both office furniture and cleaning services were deemed to be relevant to this certification but immaterial in relation to the overall inventory.

Figure 1: Emissions boundary



Data management plan

Dexus continues to implement its data management plan for quantified sources shown above. Cleaning services is a minor source of emissions however we continue to investigate options to engage with cleaners to quantify based on operational data.

Excluded sources (outside of certification boundary)

N/A

3. EMISSIONS SUMMARY

Emissions reduction strategy

Dexus is committed to continuous improvement under its ISO 14001 Environmental Management System, which includes reducing resource consumption and the impact of climate change across the entire portfolio including Dexus's corporate operations.

Dexus's emissions reduction strategy is aligned to the Enriched Environment objective within Dexus's Sustainability Approach. Dexus is committed to:

- A minimum 5-Star NABERS Energy Tenancy Ratings for its Sydney Head Office
- Sourcing at least 70% of electricity from onsite and offsite renewable sources across the group's managed portfolio by FY25, consistent with our RE100 commitment to source 100% of electricity from renewables by 2030
- Achieving net zero emissions by 2030

Further, in the previous reporting period Dexus enhanced its net zero emissions ambition by certifying its emissions reduction target with the Science Based Targets initiative (SBTi). This certified that Dexus's Scope 1 and Scope 2 targets are aligned with a 1.5°C trajectory, representing their highest level of ambition.

Adopting a long-term approach to emissions reduction, targeted initiatives include investing in energy and water efficiency, electrification to operate from on-site and off-site renewables, and reducing emissions associated with waste from operations.

Emissions over time

The table below summarises Dexus's like-for-like emissions against its updated 2015 baseline.

Table 1

Emissions since base year								
	Base year: 2014-15	Year 1: 2015-16	Year 2: 2016-17	Year 3: 2017-18	Year 4: 2018-19	Current year Year 5: 2019-20	Change Year 5 vs Year 4)	Change (Year 5 vs Base year)
Total tCO_2-e	2,599	2,561	2,512	2,575	3,164	2,325	-26.5%	-11%
Employees (FTE)	334	399	405	427	516.9	526.5	2%	58%
Intensity tCO_2-e/FTE	7.8	6.4	6.2	6.0	6.1	4.4	-28%	-43%
Avoided tCO_2-e from improved intensity	-	546	638	748	858	1,772	1,772	4,562 over 5 years

Emissions reduction actions

In comparison to FY19, Dexus measured a 28% decrease in emissions intensity per employee. During that time, Dexus experienced growth in the Group's full-time equivalent staff of 2%. The emissions source contributing the largest decrease related to air travel (345 tCO_2-e reduction) resulting from a decrease in activity following the onset of COVID-19. Employee commuting also reduced significantly (311 tCO_2-e), however it should be noted that this was largely due to a change in train-transport emission factors which occurred during Climate Active's standardisation of emission factors[1]. A comparison between a full year of employee commuting and a partial year with working-from-home shows an insignificant reduction of approximately -1%.

At the end of FY20, Dexus met its target of 1 million square metres of office space rated at a minimum 5 star NABERS Energy. Achieving this milestone involved increasing Energy efficiency across circa 500,000 square metres of office space in the last five years, including the properties in which Dexus's corporate tenancies are located. This was accomplished through:

- A coordinated effort to develop and implement strategic NABERS improvement plans

[1] In previous years, emissions associated with employee travel to and from work were calculated using emission factors developed by the 'EPA Victoria's greenhouse gas inventory management plan: 2012–13 update', however, in transitioning to the Climate Active standard format of emission factors, this source was changed to the 2019 'UK Government GHG Conversion Factors for Company Reporting' from the Department for Business, Energy & Industrial Strategy (DBEIS). The DBEIS source is more regularly updated but is not specific to the Australian context, so emissions intensities for different modes of transport can vary significantly. Train transport is a key example, where the factor from the EPA Victoria was 0.150 $kgCO_2$-e/pax.km and 0.041 $kgCO_2$-e/pax.km in for DBEIS. It should be noted that this change in emission factors source, in addition to increased working from home, decreased staff commuting emissions by 59% in comparison to FY19. Sources: https://www.epa.vic.gov.au/about-epa/publications/1562; https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2019

- Targeted capital expenditure, delivered by Dexus's capital works Project Delivery Group
- Rollout of Building Optimisation System fault-detection analytic software to enhance building tuning
- The sustained efforts of property and facility management teams, led by Dexus's senior leaders, and supported by its sustainability and NABERS assessment teams.

Emissions summary (inventory)

Table 2

Emission source category	tonnes CO_2-e
Accommodation and facilities	82.4
Air transport (km)	682.5
Electricity	801.9
Food	93.7
ICT services and equipment	196.4
Land and sea transport (fuel)	19.3
Land and sea transport (km)	216.8
Office equipment & supplies	34.2
Postage, courier and freight	52.1
Refrigerants	18.2
Stationary energy	21.8
Taxi and Uber	12.4
Waste	12.9
Water	3.2
Working from home[2]	77.5
Total Net Emissions	**2,325.3**

[2] Relates to employees working from home between March and June 2020 due to the onset of COVID-19. Electricity and internet were deemed to be the major contributors. Average electricity use was calculated based on the Australian Energy Regulator's '*Electricity and gas bill benchmarks for residential customers 2017*'. The NGA state-based grid emission factors, as used by Climate Active, were then used to estimate carbon emissions. For internet use, the average monthly spend of $77 per person was used, adjusting for the portion of a month associated with working hours, and emissions were then calculated based on the Climate Active telecommunication EF (ID:1085). This was then apportioned based on the number of hours worked in a month. Sources: Average electricity use: https://www.aer.gov.au/retail-markets/retail-guidelines-reviews/electricity-and-gas-bill-benchmarks-for-residential-customers-2017; Internet expenses: https://www.smh.com.au/business/consumer-affairs/nbn-customers-paying-too-much-survey-20160314-gni2sh.html

Uplift factors

Table 3

Reason for uplift factor	tonnes CO_2-e
Not applicable	0.0
Total footprint to offset (uplift factors + net emissions)	**2,325.3**

Carbon neutral products

Carbon neutral paper was purchased to cover the majority of business requirements.

Electricity summary

Electricity was calculated using a location-based approach.

The Climate Active team are consulting on the use of a market vs location-based approach. Given a decision is still pending on the accounting way forward, a summary of emissions using both measures have been provided for full disclosure and to ensure year-on-year comparisons can be made.

Market-based approach electricity summary

Table 4

Electricity inventory items	kWh	Emissions (tonnes CO_2e)
Electricity renewables[3]	178,628	0.0
Electricity Carbon Neutral Power	0	0.0
Electricity remaining	717,932	776.2
Renewable electricity percentage	19.92%	
Total electricity	896,560	
Net electricity emissions		*776.2*

[3] Includes voluntary GreenPower purchases and renewable energy supplied as a proportion of total remaining electricity in line with Australia's Renewable Energy Target (RET)

Location-based summary

Table 5

State/ Territory	Electricity Inventory items	kWh	Full Emission factor (Scope 2 +3)	Emissions (tonnes CO_2e)
ACT/NSW	Electricity renewables	5,271	-0.90	-4.7
	Electricity Carbon Neutral Power	0	-0.90	0
	Netted off (exported on-site generation)	0	-0.81	0
	Electricity total	**663,794**	**0.90**	**597.4**
Vic	Electricity renewables	858	-1.12	-1
	Electricity Carbon Neutral Power	0	-1.12	0
	Netted off (exported on-site generation)	0	-1.02	0
	Electricity total	**68,947**	**1.12**	**77.2**
Qld	Electricity renewables		-0.93	0
	Electricity Carbon Neutral Power		-0.93	0
	Netted off (exported on-site generation)		-0.81	0
	Electricity total	**84,025**	**0.93**	**78.1**
WA	Electricity renewables	5,739	-0.74	-4.2
	Electricity Carbon Neutral Power		-0.74	0
	Netted off (exported on-site generation)		-0.69	0
	Electricity total	**79,793**	**0.74**	**59.0**
	Total electricity	896,560		
	Total renewables	11,868		
	Total net electricity emissions			*801.9*

4. CARBON OFFSETS

Offset purchasing strategy

Dexus views our investment in carbon abatement projects as part of our overall sustainability approach and an extension of our own emissions reduction activities. Dexus invests in projects that fall into one or more of the following criteria:

- Carbon abatement projects involving generation of renewable energy or energy from waste, which enables Dexus to support the transition to cleaner energy sources
- Carbon abatement projects that also give back to local communities in the form of income or through other social co-benefits such as improved health or livelihood
- Carbon abatement projects situated in Australia, which enables Dexus to support carbon abatement in the geographical region in which Dexus operates
- Carbon abatement projects involving sequestration, which enables Dexus to support direct emission reductions through the removal of carbon from the atmosphere

Dexus's offsetting approach involves purchasing and retiring offsets in arrears at the end of each reporting year as follows:

1. Dexus determines the number of offsets to retire to encompass our annual emissions inventory for the current reporting year
2. Dexus applies a contingency to round up our abatement
3. Dexus partners with a broker to select carbon abatement projects that fit with Dexus's offsetting goals

Certificates are purchased and retired immediately.

Offsets summary

Table 6

Total offsets required for this report	2326
Offsets retired in previous reports and used in this report	0
Net offsets required for this report	2326

Project description	Eligible offset unit type	Registry unit retired in	Date retired	Serial number	Vintage	Total offsets (tonnes CO_2-e)	Quantity used for previous report	Quantity to be banked for future years	Quantity used for this report	Quantity used for net-zero pathway
Stapled (Victorian Lowland Forest + Taiwanese Wind)	VER	Gold Standard	6 Aug 2020	Myamyn: BBA-2467-VOL003-11685 to BBA-2467-VOL003-12534; Changbin: GS1-1-TW-GS472-12-2017-6457-101360-102209	2017	850	0	0	395	455
Rimba Raya Borneo Forestry	VCU	Verra	6 Aug 2020	7828-431432823-431432922-VCU-016-MER-ID-14-674-01072014-31122014-1	2014	100	0	0	47	53
Cambodia Water Filter	VER	Gold Standard	6 Aug 2020	GS1-1-KH-GS1020-16-2016-5913-28464-28563	2016	100	0	0	47	53
India Wind VCS	VCU	Verra	6 Aug 2020	8076-453236735-453237734-VCU-034-APX-IN-1-1679-01012017-23122017-0	2017	1,000	0	0	465	535
India Solar VCS	VCU	Verra	6 Aug 2020	8307-7471558-7473407-VCS-VCU-997-VER-IN-1-1767-24052018-31122018-0	2018	1,850	0	0	860	990
China Wind CER	CER	Swiss Emissions Trading		1092144715 - 10921458142 [see Figure 3]	2013	1,100	0	0	512	588
				Total offsets retired		5,000	0	0	2,326	2,674
				Total offsets banked for future reports		0	0	0	0	0

Co-benefits

The below table describes the projects that Dexus has chosen to support in FY20.

Figure 2

Carbon abatement projects

Stapled (Victorian Lowland Forest, Australia + InfraVest Changbin and Taichung Wind Farm Project, Taiwan)

Description of Victorian Lowland Forest

The project works to protect and rehabilitate the Victorian lowland forest that was illegally cleared for blue gum plantations in the 1990s. By protecting the site and replanting cleared areas with native plants, this project permanently protects and enhances local biodiversity.

Co-benefits of Victorian Lowland Forest

- Protected and enhanced habitat for a range of vulnerable and endangered native species including the southern brown bandicoot, powerful owl, and long-nosed potoroo
- Directly removes carbon from the atmosphere acting as a carbon sink

Description of InfraVest

The project involves the development of two onshore wind farms (103.5 MW and a 46 MW) and consists of 45 plus 20 wind turbines, each with a capacity of 2.3 MW. The project will generate 507 MWh/year to be exported to the regional state electricity authority Tai-Power. The emission reductions from the project activity will come from the avoidance of carbon dioxide emissions from fossil fuel use in the national electricity grid.

Co-benefits of InfraVest

- The project activity will bring development and employment opportunities into the local area
- Increase recognition in contributing to international efforts in increasing renewable energy

FY20 offsets used for this report: 395 (17% of reporting period total)

Total FY20 offsets used for this report: 850

Production and Dissemination of Ceramic Filter Water Purifiers, Cambodia

Description: This project provides clean drinking water access to an estimated 1.7 million people across 312,000 households over 7 years. Offsets are created through the avoidance of biomass fuel combustion for water purification purposes, e.g. wood-fired water boiling.

This project directly addresses several of the United Nations Sustainable Development Goals (SDGs), including goal 3, 13, and 15.

Co-benefits

- Improvement in public health and household welfare including reducing child mortality, improving maternal health, and combating disease
- Moves towards environmental sustainability through reducing the impact on environmental resources

FY20 offsets retired: 47 (2% of reporting period total)

Total FY20 offsets used for this report: 100

Rimba Raya Biodiversity Reserve Project, Central Kalimantan, Indonesia

Description

The purpose of this project activity is to reduce emissions by preserving 91,215 hectares of tropical peat swamp forest. This area, rich in biodiversity including the endangered Bornean orangutan, was slated by the Provincial government to be converted into four palm oil estates. Located on the southern coast of Borneo in the province of Central Kalimantan, the project is also designed to protect the integrity of the adjacent world-renowned Tanjung Puting National Park, by creating a physical buffer zone on the full extent of the ~90km eastern border of the park.

Co-benefits

- Protect native forests that previously have been subjected to agricultural clearing
- Act as a physical buffer zone to the adjacent national park

  Help preserve habitat for endemic and endangered species including the Bornean orangutan

FY20 offsets retired: 47 (2% of reporting period total)

Total FY20 offsets used for this report: 100

Bundled Wind Power Project, Madhya Pradesh, India

Description: The purpose of the project activity is to generate renewable energy to displace electricity generated from thermal power stations and diesel generators during power shortages.

The total installed capacity of the project is 112.5 MW.

Co-benefits

- The project activity will bring development and employment opportunities into the local area
- The project will assist in reducing voltage problems for the local villages
- Increase recognition to the local area and to India in contributing to international efforts in increasing renewable energy

FY20 offsets retired: 465 (20% of reporting period total)

Total FY20 offsets used for this report: 1000

Bundled Solar Power Project, Tamil Nadu and Telangana, India

Description: This project consists of five solar photovoltaic locations in the Indian States of Telangana, Gujarat and Rajasthan, together with a total installed capacity of 205 MW. This grid-connected project supplies emissions-free energy to India's electricity grid, replacing carbon-intensive energy sources.

Co-benefits

- Generation of employment opportunities during the construction and operation of the project
- Reduce the demand-supply gap in the region
- Improve local infrastructure
- Implementation of educational initiatives, and grants for schools and community temples

FY20 offsets retired: 860 (37% of reporting period total)

Total FY20 offsets used for this report: 1850

Shangyi Dongshan Wind Farm Project, Hebei, China

Description: The purpose of this project is to utilise wind resources for electricity generation through the construction of a wind farm with a total capacity of 49.5MW and a 220kV substation

The electricity generated from the project will be sold to North China Power Grid.

Co-benefits

- Generation of employment opportunities during the construction and operation of the project
- Helps reduce the demand - supply gap in the region
- Improved local infrastructure

FY20 offsets retired: 512 (22% of reporting period total)

Total FY20 offsets used for this report: 1100

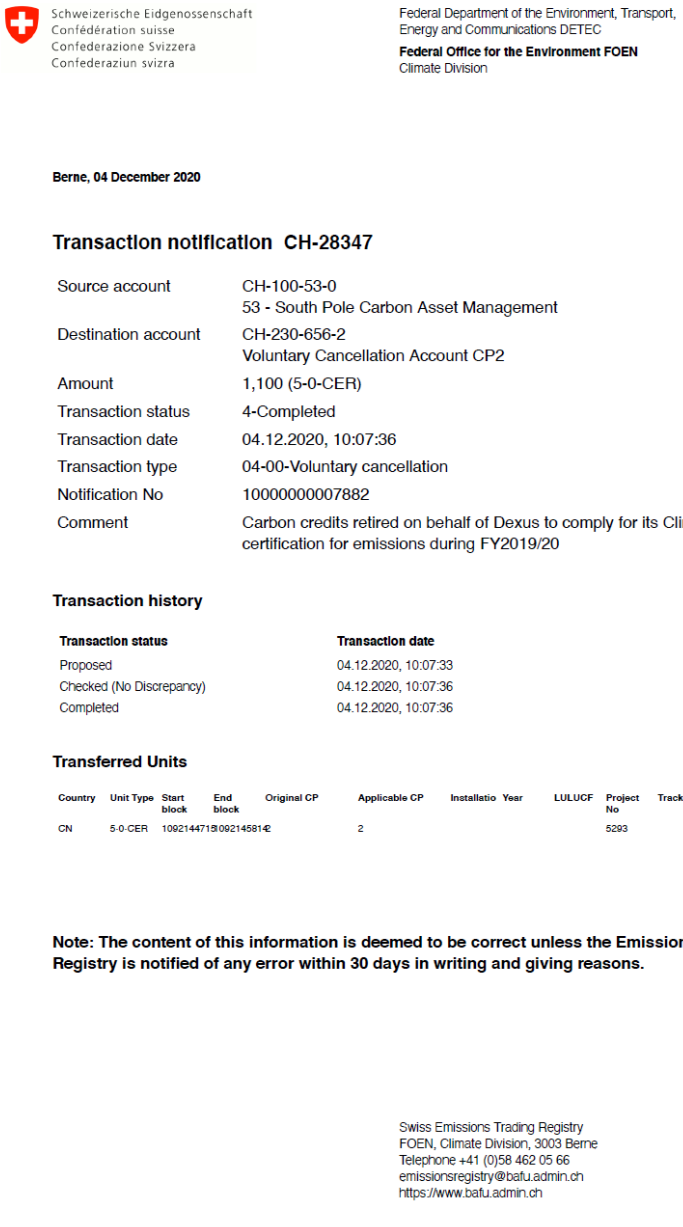
5. USE OF TRADEMARK

Table 7

Description where trademark used	Logo type
2020 Dexus Sustainability report	Certified organisation
Sustainability at Dexus – Investor Presentation	Certified organisation

6. ADDITIONAL INFORMATION

Figure 3: Offset retirement evidence - China Wind CER



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of the Environment, Transport, Energy and Communications DETEC
Federal Office for the Environment FOEN
Climate Division

Berne, 04 December 2020

Transaction notification CH-28347

Source account	CH-100-53-0 53 - South Pole Carbon Asset Management
Destination account	CH-230-656-2 Voluntary Cancellation Account CP2
Amount	1,100 (5-0-CER)
Transaction status	4-Completed
Transaction date	04.12.2020, 10:07:36
Transaction type	04-00-Voluntary cancellation
Notification No	10000000007882
Comment	Carbon credits retired on behalf of Dexus to comply for its Climate Active certification for emissions during FY2019/20

Transaction history

Transaction status	Transaction date
Proposed	04.12.2020, 10:07:33
Checked (No Discrepancy)	04.12.2020, 10:07:36
Completed	04.12.2020, 10:07:36

Transferred Units

Country	Unit Type	Start block	End block	Original CP	Applicable CP	Installatio	Year	LULUCF	Project No	Track	Expiry date	Amount
CN	5-0-CER	109214471	109214581	2	2				5293			1,100

Note: The content of this information is deemed to be correct unless the Emissions Trading Registry is notified of any error within 30 days in writing and giving reasons.

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APPENDIX 1

Excluded emissions

To be deemed relevant an emission must meet two of the five relevance criteria. Excluded emissions are detailed below against each of the five criteria.

Table 8

Relevance test					
Excluded emission sources	*The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions*	*The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.*	*Key stakeholders deem the emissions from a particular source are relevant.*	*The responsible entity has the potential to influence the reduction of emissions from a particular source.*	*The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.*
Office fixtures and fittings	No	No	No	Yes	No

APPENDIX 2

Non-quantified emissions for organisations

Please advise which of the reasons applies to each of your non-quantified emissions. You may add rows if required.

Table 9

Non-quantification test				
Relevant-non-quantified emission sources	*Immaterial <1% for individual items and no more than 5% collectively*	*Quantification is not cost effective relative to the size of the emission, but uplift applied.*	*Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.*	*Initial emissions non-quantified but repairs and replacements quantified*
Cleaning services	Yes	No	No	No