Dexus - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 27,000 investors from 20 countries (all figures in this description are as at 30 June 2020). With over 35 years of expertise in property, investment, development and asset management, we have a proven track record in managing capital and risk to deliver superior risk-adjusted returns for our investors. We invest only in Australia and directly own $16.8 billion of properties, with a further $17.0 billion of properties managed on behalf of third-party clients. The group's $10.6 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. We consider sustainability to be an integral part of our business with the objectives of leading cities, future-enabled customers, strong communities, thriving people and an enriched environment supporting our overarching goal of sustained value. We believe the strength and quality of our relationships will always be central to our success and we are deeply committed to working with our customers to provide spaces that engage and inspire.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2019	June 30 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

AUD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CN0.7/C-RE0.7

(C-CN0.7/C-RE0.7) Which real estate and/or construction activities does your organization engage in?

New construction or major renovation of buildings

Buildings management

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Board has delegated responsibility for assessing and managing climate-related issues to the Board ESG Committee which consists of three of the seven non-executive board members. The Board ESG Committee oversees the implementation and management of Dexus's sustainability strategy (Sustainability Approach), including environmental, social and governance initiatives to maintain the Group's position as a leader in sustainability practices. The Committee endorses environmental targets and environmental, social and governance strategies for approval by the Board. An example of a climate-related decision made by the Board ESG Committee in FY20 was the review of Dexus's FY25 environmental targets to achieve Dexus's Net Zero by 2030 strategy from proposal to adoption, and the endorsement of these FY25 environmental targets. The targets included sourcing 70% electricity from onsite and offsite renewables sources by across the group's managed portfolio by FY25 and delivering an average 5 star NABERS Indoor Environment rating across the group office portfolio. The Dexus sustainability team, led by the Executive General Manager, Investor Relations, Communications and Sustainability, reports quarterly to the Board ESG Committee. The Board ESG Committee works closely with the Board Risk Committee on climate-related issues because of the inclusion of climate change as a strategic risk for Dexus.
Board-level committee	The Board has delegated responsibility for assessing and managing climate-related risks to the Board Risk Committee which consists of three of the seven non-executive board members. The Board Risk Committee oversees the implementation of Dexus's Risk Management Framework. The Committee oversees the group's risk management practices, as well as Work Health and Safety, environmental management, and internal audit practices. An example of a climate-related decision made by the Board Risk Committee in FY20 was reviewing and maintaining climate change as a key risk in Dexus's risk appetite statement. The Dexus risk team, led by the Head of Risk, reports quarterly to the Board Risk Committee. The Board Risk Committee works closely with the Board ESG Committee on climate-related issues because of the inclusion of climate change as a strategic risk for Dexus.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding major plans of action Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	The Executive General Manager, Investor Relations, Communications and Sustainability, and the Senior Manager, Group Sustainability and Energy present at Board meetings by invitation and at each quarterly Board ESG Committee meeting as a standing agenda item. The Sustainability team prepares a Quarterly Environmental Performance and Initiatives Report which details progress and status on climate and sustainability priorities and targets prior to the Board ESG Committee's meeting and is a discussed agenda item. Post-meeting, the Board ESG Committee minutes are provided to the Board. Climate change is discussed in detail on a regular basis. These discussions cover aspects of Dexus's climate change resilience strategy which involves 1) reducing Dexus's impact through decarbonisation, energy efficiency and renewable energy; 2) adapting to physical and transitions risk of its property, people and operations, and leveraging climate change-related opportunities; 3) influencing Dexus's value chain by engaging customers, tenants and suppliers to reduce climate impacts. Examples of topics discussed with the Board ESG Committee include a) initiatives to reduce Dexus's climate impact and adaptation of Dexus's sustainability approach. For example, a) Dexus's on-site solar renewable initiatives implemented at Willows Shopping Centre, Townsville and Beenleigh Marketplace, Woy Woy; b) reviewing Dexus's energy procurement decarbonisation strategy; and c) Dexus's response to the 2019/20 summer bushfire season associated with climate change, and initiatives to protect the wellbeing of building occupants from the effects of smoke haze.
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding business plans Setting performance objectives	<Not Applicable>	The Executive General Manager, Investor Relations, Communications and Sustainability, and the Senior Manager, Group Sustainability and Energy are invited to present at each quarterly Board ESG Committee meeting as a standing agenda item. The Sustainability team prepares a Quarterly Environmental Performance and Initiatives Report which details the progress and status on climate and sustainability priorities and targets prior to the Committee's meeting and is discussed as an agenda item. The Sustainability team reports on progress on its climate resilience roadmap (mitigation, adaptation, and influencing value chain). Sustainability commitments are approved by the Board annually, or as required by exception. For example, in FY20 the Board ESG Committee reviewed progress against Dexus's Net Zero by 2030 target including progress of key initiatives such as achieving the group's NABERS Energy rating target of a minimum of 5 stars across 1,000,000 square metres, onsite renewable energy installation initiatives, and Dexus's electricity procurement decarbonisation strategy and roadmap.
Scheduled – all meetings	Reviewing and guiding risk management policies	<Not Applicable>	The Board Risk Committee reviews enterprise-wide risk management practices including climate and environmental management. The quarterly meetings address the effectiveness of the group's Risk Management Framework. The group's Environmental Management System is subject to regular review which feeds ongoing enhancements to Dexus's Environmental Management System (EMS) which is managed by the Risk and Sustainability teams. The Board Risk Committee works closely with the Board ESG Committee on climate-related issues because of the inclusion of climate change as a strategic risk for Dexus.
Scheduled – some meetings	Reviewing and guiding annual budgets Overseeing major capital expenditures, acquisitions and divestitures	<Not Applicable>	The Dexus Board approves all corporate annual budgets for all business units during their two-day strategy session. The Board approves all major capital expenditure, acquisitions, and divestments (in accordance with its Terms of Reference). Such activities are discussed in meetings where appropriate.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (EGM-IR, Communications & Sustainability)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Environment/ Sustainability manager	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Corporate responsibility committee	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (EGM- Office)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	As important matters arise
Other C-Suite Officer, please specify (EGM - Retail, Industrial and Healthcare)	<Not Applicable>	Managing climate-related risks and opportunities	<Not Applicable>	As important matters arise

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Executive General Manager Investor Relations, Communications and Sustainability: is responsible for implementing the group's sustainability strategy (Sustainability Approach), sustainability reporting, and reviewing and approving materials in accordance with Dexus's material approval process. The Executive General Manager Investor Relations, Communications and Sustainability has responsibility for Dexus's management of climate-related issues, such as progress toward and achievement of Dexus's net zero emissions by 2030 target. This role reports directly to the Chief Executive Officer and is a member of the Group Management Committee, which has oversight of climate related issues within the scope of addressing economic, environmental and social topics, including property resilience and climate change impacts, human rights and community investment.

Dexus's Senior Manager, Group Sustainability and Energy: leads the Dexus Sustainability team and coordinates day-to-day integration of sustainability within operations including:

- Oversight of the group's Sustainability Approach including the setting of ESG objectives against each key objective and monitoring progress
- Responsibility for environmental performance including target setting, monitoring and reporting
- Oversight of annual energy and emissions reporting as per legal requirements and external assurance of Dexus's environmental accounts
- Oversight of NABERS rating program to maintain legal compliance and setting building performance targets

Corporate Executive Committee: is accountable to and reports to the Group Management Committee and the Board ESG Committee. The Corporate Executive Committee is responsible for developing and overseeing the implementation of Dexus's sustainability strategy (Sustainability Approach) in relation to ESG policies and practices, risk management, compliance management and internal audit programs.

Members of the Corporate Executive Committee are:

- Chief Financial Officer
- Chief Operating Officer
- General Counsel and Company Secretary
- EGM, Investor Relations, Communications and Sustainability

The Corporate Executive Committee fosters adherence to Dexus's policies including those addressing ethical conduct and behaviour and champions a strong risk and compliance culture within the organisation. The Corporate Executive Committee is tasked with ensuring effective management of risks that have the potential to impact Dexus's strategy and outlook. Climate is a key strategic risk to Dexus with potential impacts over the medium to long term, thus is actively reviewed and managed within Dexus's Risk Management Framework and by the Sustainability team. The Sustainability team prepares a Quarterly Sustainability Report for the Corporate Executive Committee and Board ESG Committee meetings. The report details progress and status on climate and sustainability targets, progress on Dexus's climate change resilience strategy, and updates on emerging topics such as legislation, markets, and environmental topics. Each key strategic risk, climate included, is discussed in detail on an annual basis. For climate, Dexus's climate change resilience strategy involves:

1. Mitigating Dexus's impact through decarbonisation, energy efficiency and renewable energy;
2. Adaptation to physical and transitions risk of property, people and operations, and leveraging on climate change-related opportunities; and
3. Influencing Dexus's value chain by engaging customers, tenants, and suppliers to reduce climate impacts.

The Board Risk Committee works closely with the Board ESG Committee on climate-related issues because of the inclusion of climate change as a strategic risk for Dexus.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Corporate executive team	Monetary reward	Emissions reduction target Energy reduction target Efficiency target	Executives and senior management have individual KPI's linked to financial and non-financial performance including sustainability commitments published in Dexus's Annual Reporting Suite. Those commitments are derived from the list of Dexus's material sustainability issues and strategic goals. Progress on improving environmental performance is assessed within Dexus's FY20 corporate commitments to: 1) Deliver 1,000,000 square metres of office space rated at least 5 star NABERS Energy rating and 1,000,000 square metres rated at least 4 star NABERS Water rating by 2020; 2) Establish new 2025 energy and emissions reduction targets as part of our pathway to net zero emissions by 2030. Executives and senior management are rated on their performance across KPIs and monetary rewards are tied to achievement of KPIs.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Energy reduction project Energy reduction target Efficiency project Efficiency target	The management of climate change risk assessing, and reporting is a business objective and the sustainability team have targets to deliver business objectives. These include but are not limited to meeting energy/emission reduction targets, implementing energy/emissions reduction projects, championing behaviour change and communicating climate change issues. These form part of individual objectives within the team and are linked to performance measurement and remuneration.
All employees	Monetary reward	Behavior change related indicator	Sustainability has been integrated where relevant into employees' roles and responsibilities within their job description as well as included within group performance scorecards. Key staff are assessed on their contribution, relevant to their position, towards achieving Dexus group annual sustainability commitments as set out within its Annual Reporting Suite. Those commitments are derived from the list of Dexus's material sustainability issues and strategic goals. In FY20 Dexus specified a range of sustainability commitments to improve performance with regards to investors, customers, suppliers, employees, the community, and the environment. All employees are rated on their performance across scorecard KPIs and monetary rewards are tied to achievement of KPIs.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	Next 24 months or sooner. Managing day-to-day risks to properties from climate-related events. Managing building operations to minimise energy consumption and associated emissions. This aligns with Dexus's frequency of financial and operational planning and annual budgets.
Medium-term	2	7	Next 2 to 7 years, in line with interim environmental targets for Dexus's 2030 Net Zero Strategy. The time horizon aligns with Dexus's group scorecard goals to ensure company-wide comprehensive awareness of climate-related issues and renewable energy uptake alongside appropriate adaptation planning and management. Dexus's climate change resilience pathway goal involves improving understanding of transitional risks over the medium term and incorporate those learnings into Dexus's strategy stress testing over a 3 to 5 year horizon.
Long-term	7	15	Horizon to 2030 and beyond in line with Dexus's Net Zero 2030 Strategy, as well as long-term investment objectives across key funds. Integrating physical and transitional, economic and social climate-related issues into asset planning. Setting and implementing energy, renewable energy and emissions targets consistent with climate-related science and global transition to a low carbon economy, supported by Dexus's in-house research team's long-term (20 to 30 year) outlook analysis. Referencing IPCC climate scenarios to support science-based target setting and inform 10-year asset planning through planned CAPEX, updates, and decision on disposals, including emissions reduction projects such as on-site solar, off-site renewable power purchase agreements, and building electrification.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Dexus's Risk Management Framework aligns with ISO 31000:2018 *Risk Management - Guidelines*. The Risk Management Framework's treatment of climate-related risks is consistent with the process outlined above. Dexus's climate-related risks are assessed based on likelihood, consequence, and effectiveness of controls which is used to determine a resulting overall risk evaluation. Dexus defines a substantive impact as 'major' or 'extreme' according to its risk assessment criteria when assessing climate-related risks:

- with regard to financial consequences, 'major' equates to a financial impact of "between 5% and 20% of AFFO or the relevant funds earning metric; or between 5% and 10% of Net Assets of the relevant Fund; or unanticipated or unbudgeted financial loss of $10m - $60m.", and 'extreme' equates to "20% or greater of AFFO or the relevant funds earning metric; or greater than 10% of Net Assets of the relevant Fund; or unanticipated or unbudgeted in excess of $60m"
- with regard to strategic consequences, 'major' is considered to represent a significant impact on the achievement of strategic objectives requiring major effort to manage and resolve to avoid detrimental impact on the viability of the business, and an 'extreme' strategic consequence would be the sustained and significant impact on the achievement of multiple strategic objectives requiring major effort to manage and without appropriate resolution would have a detrimental impact on the viability of the business.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Dexus's Risk Management Framework aligns with ISO 31000:2018 Risk Management - Guidelines. Through integration of climate-related issues into Dexus's Risk Management Framework, climate-related risks and opportunities are identified and managed in a systematic and timely way to minimise the impact of undesirable events and to provide the ability to consider opportunities as they arise. Risks are identified and evaluated to determine their severity, likely consequences and the frequency that an event is likely to occur which is evaluated over a period of up to 20 years. The key risk assessment process occurs quarterly (i.e. more than once a year), includes the determination of which risks or opportunities could have a financial or strategic impact, and involves the assignment of an overall residual risk rating for each risk documented in the key risk register (which includes climate-related risks and opportunities). More broadly, steps in the Dexus's risk assessment process include: 1. Identification – Risks are identified through the ordinary course of operations, via audits, reports, incident, external advice, etc. Risk identification for climate change includes desktop analysis of climate exposures, property audit processes, and due diligence conducted during acquisitions. The risks are categorised as direct operations issues, upstream issues (e.g. supply chain), and/or downstream issues (e.g. customer/occupant use of Dexus-managed properties). The risks are also categorised as material in the short-term (0-2 years), medium-term (2-7 years), and/or long-term (7-15 years). 2. Analysis – Risks are assessed to determine their significance and priority, which includes determining which risks and opportunities could have a substantive financial or strategic impact. The risk assessment process involves a consideration of the risk criteria in terms of likelihood and consequence and involves analysing the following: a) Inherent risk –the likelihood and consequence of a risk event if it were to occur in the absence of controls. The inherent nature of the risk event will provide the basis and extent to which controls or treatment plans are required to mitigate the risk to an acceptable level. Assessment of inherent risks of climate-related issues take into account recent and historical natural disaster events such as flood, cyclone, hurricane, windstorm and earthquake, geographical factors, while factoring in climate change projections and previous loss data. b) Identify and assess controls – identify the existing controls in place to address the risk and assess how effective they are in operation. The control's current operating effectiveness is determined and rated on a scale of effectiveness. Where controls are identified as ineffective or partially effective, action plans are required to be developed by management to establish effective controls and mitigate risks. c) Residual risk rating – The residual risk rating is determined by combining the likelihood and consequence of the risk, taking into consideration the effectiveness of existing controls. Dexus has adopted standardised criteria and rating scales to be applied across all risk management activities and business areas. 3. Evaluation – Risks are evaluated, and a decision is made as to whether a risk is acceptable or not, factoring the frequency, likelihood of occurrence, and the potential environmental, financial or business impact that would result. Risk mapping tools are used to prioritise risks. 4. Treatment – Risk Treatment Plans are developed for all risks that have a residual risk rating of High or Very High. An example of how the Risk Management Framework is applied to physical risks is Dexus's assessment of portfolio exposure and vulnerability to property damage or loss of business continuity from extreme weather. The application of the Risk Management Framework and vulnerability assessment has revealed, for example, that properties in Sydney and Melbourne are exposed to heat stress, with potential impacts including increased costs to cool Dexus properties in these locations on hot days. On the other hand, properties in far north Queensland are exposed to cyclone and flooding risk, with potential impacts including increased insurance costs/premiums and building damage remediation costs. Dexus conducts annual Risk Assessment workshops using a Risk Register that includes property climate change risk. Dexus ranks properties in its portfolio according to their overall level of risk and higher risk properties undergo further assessment and adaptation planning. Managing the risks involves mitigating physical risks through investment decision-making, asset planning, preventative maintenance, and adaptation activities. With regards to investment decision-making, Dexus reviews the climate and sustainability risks and opportunities of a potential acquisition before purchase through a due diligence process. This process requires details on the potential acquisition's environmental performance and climate change assessments that have been conducted, building upgrade and improvement plans, past energy, and water audits as well as costing required to implement upgrades to the property in line with the group's 5-star NABERS Energy rating target. The building performance and climate-related exposure can affect procurement decisions and investment strategy for the asset. Natural disaster risks are reviewed as part of Dexus's annual environmental audit process. The process involves analysis and determination of climate change risk level based on the inherent risk to recent and historical natural disasters. From this process key risks are identified, and site mitigation plans are developed. Dexus has applied its Risk Management Framework to transition risks by assessing financial impacts from changes in energy markets resulting from the transition to a low carbon economy, and assessing consequences associated with Dexus's operational greenhouse gas emissions. The application of the Risk Management Framework and assessment of financial impacts from transition risks led to Dexus adopting a progressive purchasing strategy for electricity, implementing upgrades to properties to achieve 5-star NABERS Energy targets, and developing targets and a transition plan to renewable energy as part of its target to achieve net zero emissions by 2030.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Risks to Dexus of potential costs associated with maintaining compliance with current regulation have been included in risk assessments of climate-related regulation through Dexus's legal compliance register. The legal compliance register details control measures that track Dexus's compliance obligations, corrective actions and status, as well as personnel that are key to ensure implementation. Examples of current regulation that present risks of increased costs include the National Greenhouse and Energy Reporting (NGER) Act 2007, Environment Protection Act 1970, Electricity Supply Act 1995, Supply (General) Regulation 2014, and Energy Savings Scheme Rule of 2009 and Renewable Energy (Electricity) Regulations 2001. For example, a compliance risk assessment for changes to the commercial building disclosure (CBD) program identified potential increased costs associated with the reduced mandatory disclosure threshold on commercial office buildings from of 1,000 square metres or more. The additional compliance cost was associated with effort to monitor compliance for and conduct NABERS assessments across the few newly obligated properties.
Emerging regulation	Relevant, always included	Dexus monitors emerging regulations and standards through its Sustainability and Compliance teams, and relevant issues are reviewed by Dexus's Climate Resilience Working Group. Dexus also monitors emerging regulations through its engagement with industry peak bodies. Examples of emerging regulation issues include enhancements to the ASX Listing Rules regarding climate change risk disclosure and changes to local government building development controls towards higher building energy efficiency criteria. Dexus factors in emerging regulatory changes within its climate resilience strategy roadmap and prices in allowances into forward operating budgets as required.
Technology	Relevant, always included	Risks to Dexus including changes in electricity use and costs associated with building technology upgrades (e.g. increased cost associated with replacing equipment with more energy efficient options to support Dexus's NABERS Energy and net zero emissions targets) have been included in company and property-level climate-related risk assessments through business case development for capital projects and innovations. Dexus's smart building blueprint seeks to leverage technological change for the long-term benefit of our workspaces, securing the relevant game changers that enhance the customer experience. It relies on six interconnected pillars: safety, sustainability, productivity, experience, wellbeing and connectivity. Building technology, plant and equipment is assessed for obsolescence and opportunities are identified that reduce costs from technologies through enhanced energy efficiency. For example, when developing Dexus's Net Zero by 2030 strategy, the Sustainability team modelled a portion of the energy efficiency savings from emerging technology.
Legal	Relevant, always included	Risks to Dexus including increased resourcing requirements and potential non-compliance costs associated with emissions reporting laws (e.g. National Greenhouse and Energy Reporting Act in Australia) have been included in company-level climate-related risk assessments through legal compliance registers. The assessments have also identified governance issues such as liability risks associated with directors' duties to consider foreseeable risks in their decision-making, which could result in increased costs and reputational impacts associated with legal action if climate-related issues are not integrated into director decision-making.
Market	Relevant, always included	Risks to Dexus including decreased revenues from reduced market demand (e.g. loss of government tenants that require energy efficient buildings) are monitored by Dexus's Property and leasing teams. For example, Dexus monitors shifts in customer demands such as, government leasing minimum requirements for NABERS ratings and Property Council of Australia's Guide to Office Building Quality with ambition to operate a sustainable, premium quality portfolio. Increased greenhouse gas emissions will negatively impact a building's NABERS rating which may prompt existing tenants with minimum performance requirements to review their lease and will adversely impact Dexus's ability to attract and retain new customers (tenants). Dexus also monitors enquiries from customers seeking to substitute their existing fossil fuel electricity supply towards renewable energy with lower emissions. This presents opportunities to install solar systems to assist them in this transition, while a failure to respond could result in lower demand and higher vacancy.
Reputation	Relevant, always included	Risks to Dexus associated with reputational damage and associated negative financial impacts (e.g. loss of investor sentiment) have been included in company-level climate-related risk assessments through ongoing stakeholder engagement and sentiment monitoring. For example, Dexus has experienced positive impact towards its brand, share value, public opinion and perception of integrity by actively reducing its emissions impact and by attaining leadership positions in several investor ESG surveys such as Dow Jones Sustainability Index, Global Real Estate Sustainability Benchmark, and CDP Climate Change. Loss of this positive reputation puts Dexus at risk of losing investment from ESG-focused investors, which may negatively impact share price and thus total shareholder return.
Acute physical	Relevant, always included	Acute physical risks to Dexus, such as increased costs associated with property damage from cyclones or other extreme weather, are included in property-level climate-related risk assessments through implementation of Dexus's environmental management system. Part of the environmental risk assessment process is the Initial Status Audit (ISA), conducted on all acquisitions. For example, Dexus conducted an ISA of 100 Mount St, North Sydney which determined that the property has low risk exposure to cyclones, and low to moderate exposure to flooding from extreme weather events. Where required, improvement plans are developed and tracked via Periskope, an internal property risk management tool.
Chronic physical	Relevant, sometimes included	Chronic physical risks to Dexus, such as potential increased costs associated with increased energy use to cool Dexus's office buildings in an increasingly warmer climate, are included in property-level climate-related risk assessments through Dexus's portfolio-wide desktop climate risk modelling. Dexus's portfolio-wide desktop climate risk modelling reviewed physical property risks against the IPCC's AR5 RCP8.5 scenario (likely worst-case scenario) using 2030 and 2070 time horizons. The assessment looks at chronic physical risks such as 2030 days over 35 degrees, 2030 summer temperatures, 2070 days over 35 degrees and 2070 mean maximum temperature risk. The outcomes of long-term modelling show moderate impacts across geographical markets in Far North Queensland, Western Australia and South Australia, which may influence investment decision making, depending on its nature and time horizon. This modelling is built into the scope of Initial Status Audits (ISA); environmental risks assessments, which are conducted on all acquisitions as part of Dexus's Environmental Management System (EMS). For example, Dexus conducted an ISA of 100 Mount Street, North Sydney, which determined that the property is unlikely to be inundated by long-term effects of sea level rise, and the projected increase in hot days will lead to increased electricity use.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Enhanced emissions-reporting obligations

Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Dexus must maintain compliance with the Australian National Greenhouse Energy Reporting Act (NGER), which requires mandatory reporting of GHG emissions and energy usage across the Dexus Australian portfolio. Data is required to be accurate to +/-5%. Dexus faces risk of non-compliance if it fails to accurately track group-wide energy and emissions, and report in the required timeframes. For example, if five percent of Dexus's portfolio is inaccurately classified as outside of operational control (including Dexus-managed properties owned by its third-party funds such as Dexus Wholesale Property Fund), Dexus would exclude emissions from these buildings from its NGER reporting, which would in turn result in reporting that does not accurately represent emissions across Dexus's portfolio. If Dexus fails to register and report on its emissions, it may be liable for penalties in the order of $360,000. The NGER legislation allows for administrative, civil and/or criminal penalties in response to non-

compliance. Dexus also faces compliance and financial risk should state or federal governments introduce additional climate-related reporting requirements.

Time horizon
Short-term

Likelihood
Very unlikely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
360000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Dexus faces a potential financial impact of $360,000, which is an increased compliance cost attributable to the penalty prescribed under the Act for failure to report by the deadline in accordance with the NGER Act.

Cost of response to risk
400000

Description of response and explanation of cost calculation
Dexus provides in-house employees and financial resources and has established formal processes to deliver the reporting requirements under the Act. Dexus has appointed external consultants and internal analysts to manage the collection of and maintenance of property-level emissions data. Dexus partners with an external service provider to accurately record (including verification of) energy, gas and water consumption and calculate GHG emissions. Adherence to the protocols for the collection and record keeping of data is paramount to the compliance risk. For example, Dexus's FY20 environmental dataset was collected and compiled within a group-wide Environmental Reporting System using bottom-up utility data and underwent independent assurance prior to being submitted to the Government's database. Dexus has incurred costs of $400,000 per annum. This is made up of internal and external resources, upgrades to software that stores and reports data and annual licence fees, as well as fees for external data assurance.

Comment

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Mandates on and regulation of existing products and services

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Dexus must maintain ongoing compliance with Building Energy Efficiency Disclosure (BEED) 2010 Act, which requires Dexus and other commercial building owners to disclose the energy efficiency and greenhouse gas emissions (via NABERS rating) of their buildings in the event of marketing the lease and/or sale of a space and/or building with over 1,000 square metres of office space. Dexus is required to prepare a Building Energy Efficiency Certificate (BEEC), which comprises a) NABERS energy rating (valid for 12 months), and b) a Tenancy Lighting Assessment (valid for 5 years). The provisions of the Act also require the energy efficiency rating (via NABERS ratings) to be displayed in printed, physical and online marketing materials. Dexus faces risk of non-compliance and financial penalties for each property in the portfolio where it fails to obtain and disclose energy and emissions performance rating when marketing for sale or lease. For example, recent changes to the BEED Act that lowered the minimum office floor area required to obtain a rating caused Dexus to increase costs across its industrial assets that were captured by the new threshold because they also contained office space (e.g. Dexus's property at 2 Lord Street, Botany New South Wales). Had Dexus not invested in these additional ratings, it would have been exposed to an additional non-compliance cost of up to $180,000.

Time horizon
Short-term

Likelihood
Very unlikely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
180000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact is a penalty of up to $180,000 for non-compliance as specified in the Disclosure Act 2010 (BEED Act), which is an increased compliance cost associated with requirements to disclose building energy and emissions performance. Other potential impacts include loss of rent from increased vacancy; inability to transact on a property sale incurring delayed settlement fees; reputational damage if pursued by the administrator.

Cost of response to risk
500000

Description of response and explanation of cost calculation
Dexus has embedded the BEED Act into its business to ensure compliance with all parts of the legislation. Dexus maintains a program of continuous NABERS ratings and BEEC documentation to ensure it is compliant with the provisions of the legislation. Dexus uses the NABERS tool as a benchmark tool and had already rated all eligible properties annually before the impending legislation irrespective of leasing situations. Dexus continues to NABERS rate all properties and conducts Commercial Building Disclosure Lighting Assessments on each building and ensures buildings support BEECs. For example, as at 30 June 2020 Dexus had rated 58 office and retail precincts plus 2 industrial properties under NABERS, representing 31% of all properties by number and 79% of total FUM. Dexus cost impacts include: cost to change marketing collateral already in circulation (leasing brochures, web sites, leasing sign board materials), cost of NABERS assessments on unrated properties; cost of NABERS assessments brought forward for those properties due to expire, cost of applications for exemptions. Costs from ratings for mixed use premises prior to clear guidelines being finalised. Legal costs arising from the interpretation of the Act. Collectively each property incurs costs that result in $500,000 in cumulative annual costs across Dexus.

Comment

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Dexus manages properties across Australia's major capital cities and Australia has an elevated risk of experiencing bushfires due to the climate conditions and biodiversity composition of the country. The smoke and ash from these bushfires can cause abnormally high levels of airborne pollutants across Australia's major CBDs and metropolitan areas. The bushfires that impacted Australia during FY20 were the worst in recorded history and Australian cities recorded the poorest air quality globally for approximately 30 days. The poor outdoor air quality presents challenges to maintaining healthy indoor environments for Dexus's employees, tenants and customers across its managed portfolio. For example, during the bushfires, one Dexus office building in Sydney recorded an average indoor air quality (IAQ) rating of 37PM10. When the property was assessed prior to the bushfires, the property recorded an average IAQ rating of 15PM10. The potential for more regular/extreme events could have a significant financial impact on business and disrupt property operations, including reduced productivity of Dexus's employees and customers, due to the impacts of poor indoor air quality on occupant health and safety.

Time horizon
Short-term

Likelihood
Very unlikely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
10000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact figure is $10,000,000. This represents the lost productivity of Dexus's employees and customers due to non-attendance at work because of abnormally high levels of airborne pollutants which may give rise to respiratory issues. The quoted figure assumes 1% (1,300 people) of Dexus's building occupants (including Dexus employees) are unable to attend work because they may experience respiratory issues and assuming $256 per person (average Australian daily salary sourced from the Australian Bureau of Statistics) is lost per day over 30 business days.

Cost of response to risk
229000

Description of response and explanation of cost calculation
Two of the key values in the Dexus Sustainability Approach are Future Enabled Customers and Strong Communities and Thriving People. They address direct material issues relating to the health, safety and security of Dexus's employees and customers, including ensuring the IAQ of Dexus's buildings are within the recommended PM10 range and that air filters in building HVAC systems are operating as expected. Dexus conducts regular audits on indoor environmental quality by benchmarking property performance using NABERS Indoor Environment (NABERS IE) ratings. In FY20, Dexus commissioned site-specific stress testing of IAQ for 20 properties to evaluate the effectiveness of air filtration systems and management practices and updates to Dexus's Environmental Management System (EMS), with consultancy costs of approximately $50,000. To upgrade the air filters in the HVAC systems at all Dexus managed sites (circa 1.5 million sqm) from M5 to higher grade F7 filters, which is the standard filter grade for the majority of Dexus's buildings, the total cost would be approximately $179,000. This cost does not include the costs of any building upgrades that may be required to accommodate higher grade filters.

Comment
Filter upgrade costs vary by site depending on the size of the sites HVAC system.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased access to capital

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Reputational risk is of primary concern to Dexus and the financial implications of not managing this risk can have a significant impact investors' appetite to invest in Dexus, resulting in a lower share price and less institutional investors selecting Dexus as their investment manager. Through increasing engagement with investors, Dexus understands their drivers to invest responsibly, and the scrutiny they apply to assess Dexus's ESG performance, including Dexus's approach and track record regarding climate change issues and emissions reduction. Dexus's reputation for proactively managing inherent risks such as that presented by climate change is critical to attracting new capital and impacts Dexus's ability to deliver investor returns and enable future growth through access to additional capital. Dexus is already seeing examples of investors divesting out of businesses that exhibit high carbon intensity and/or do not articulate a clear strategy for addressing climate change risks.

Time horizon
Medium-term

Likelihood
Unlikely

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
28050000

Potential financial impact figure – maximum (currency)
140250000

Explanation of financial impact figure
The potential financial impact of $2,805,000 (minimum) to $140,250,000 (maximum) relates to a decrease in available capital to Dexus following decreased investor appetite to invest in Dexus because of a negative reputational impact. This is calculated as 1 (minimum) to 5 (maximum) percent of the circa $2,805 million in debt raised by Dexus ($1,850 million) in FY20 and third party capital raising activities ($955 million) conducted in FY20. The inherent financial impacts of Dexus's reputational risk can be measured through its ability to attract new capital, raise new debt, and deliver required returns to investors and enabling future growth, having a more competitive cost of capital and superior security price performance.

Cost of response to risk
76000

Description of response and explanation of cost calculation
Dexus creates value for its stakeholders and manages its reputation through a commitment to a robust governance and management structure and its dedicated response to reporting requirements. Dexus systematically identifies, quantifies and responds to ESG issues within strategic decision making and operations. Dexus is a signatory to the PRI 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. Dexus conducts an ongoing comprehensive risk audit program to identify and evaluate and mitigate risks including those posed by climate change. Dexus sets ongoing continuous improvement emissions reduction targets for its property portfolio and monitors operational efficiency and performance targets set for its third-party property managers. Dexus proactively discloses through environmental performance benchmarks including DJSI, FTSE4Good Index, MSCI and the group's commitment to the CDP. For example, leadership in sustainability was recognised within the 2020 GRESB Real Estate Assessment with the Dexus Office Trust was named as the Global Sector Leader amongst listed office entities. Dexus incurs additional, direct costs of approximately $76,000 per annum to maintain its reputation as a leader in incorporating sustainability and addressing climate change by participating in the above global sustainability surveys.

Comment
Surveys include PRI, GRESB, S&P Global Corporate Sustainability Assessment (DJSI) and CDP Climate Change. Memberships include Green Building Council of Australia (GBCA) and Investor Group on Climate Change (IGCC).

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Changing consumer behaviour and tenant preference for energy efficient buildings could lead to increased vacancy, lower rental income, and a devaluation of the property portfolio if Dexus fails to future-proof the portfolio to enhance energy efficiency and maintain performance in a low carbon economy. The government sector as well as several private sector industries have minimum NABERS ratings requirements of 4.5 stars or higher and cannot occupy buildings that do not meet these requirements. Dexus is increasingly being asked to demonstrate to prospective and existing customers (tenants) the environmental performance of the buildings they occupy, and request alignment with their own climate change-related objectives.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
5500000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The potential financial impact of $5.5 million relates to lost revenue from decreased consumer demand for Dexus office space, in the event that Dexus fails to maintain satisfactory energy efficiency standards in its buildings. For example, a 1% reduction in occupancy due to changing consumer demand would reduce rental income by approximately $5.5 million per annum across Dexus's listed office portfolio. Operating costs would also increase as energy usage remains inefficient. To improve efficiency, Dexus faces capital investment to upgrade property air conditioning and lighting systems.

Cost of response to risk
21600000

Description of response and explanation of cost calculation
Dexus manages its risk regarding changing consumer behaviour in four ways: 1. Focusing on operational efficiency by setting continuous improvement targets, supported by incentivised facility management teams 2. Capital investments in properties to maximise building energy efficiency and reduce emissions. The primary drivers of energy reduction are the implementation of strategic improvement plans, working with engineers to assess the efficiency and potential upgrade of HVAC systems and Building Management Systems and software. 3. Analysing consumer trends through market research and developing adaption plans. 4. Focusing on tenant needs and issues to provide service excellence. For example, Dexus invested approximately $21.6 million on implementing energy efficiency and renewable energy projects across its managed portfolio in FY20, including taking advantage of lifecycle replacements to install high performing equipment or retrofit and electrify building systems. Example projects include upgrading existing HVAC systems including upgrading Building Management Control Systems, advanced building control analytics, installation of high efficiency equipment and rooftop solar panels. In May 2020, Dexus completed one of Australia's largest car park solar projects at Willows Shopping Centre in Townsville. The project includes 4,800 solar photovoltaic (PV) panels on car park shade sails at a capital cost of $5 million, that will generate approximately 2,500 MWh per annum, equivalent to the usage of 370 Queensland households. The benefits of the project extend beyond the provision of renewable energy and includes the installation of shade sails that will further enhance the amenity for centre visitors.

Comment

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures

Primary potential financial impact
Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Rising mean temperatures influences building electricity demand and puts strain on the air conditioning systems to ensure indoor temperature is maintained to meet occupants' comfort requirements. Dexus's leasing requirements dictate that indoor temperature needs to be between at 22.5 degree Celsius +/-0.5 degrees. More frequent and intense heatwaves will increase energy consumption and possibly lead to grid strain and blackouts from increasing demand for air conditioning to mitigate temperatures. Increases to Dexus energy use and energy security risks will put upward pressure on energy prices, which are borne by customers (tenants) through their outgoings.

Time horizon
Medium-term

Likelihood
Very likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
0

Potential financial impact figure – maximum (currency)
2800000

Explanation of financial impact figure
The potential financial impact of $2.8 million relates to increased operating costs required to maintain the comfort of its buildings resulting from rising mean temperatures, and equates to a 10% increase in energy prices or use due to operational inefficiencies. Dexus and its customers (tenants) face inherent financial cost increases due to higher energy prices, and financial losses due to blackouts.

Cost of response to risk
2000000

Description of response and explanation of cost calculation
Dexus proactively manages building energy performance to reduce operational costs by 1. Monitoring and optimising operational performance by investing in effective use building management systems, data analytics and sub-metering to assist the facility team in rectifying performance issues. 2. Proactive procurement, using Dexus's size and scale to purchase electricity and effective rates. For example, Dexus moved to progressive purchasing of electricity across properties in NSW and Victoria, to better time future purchases to take advantage of price fluctuations and to mitigate the impacts of higher energy prices. 3. Through the property risk management system and through improving asset performance. The annual property risk assessments test the buildings capacity to withstand a power outage and test the fitness of the power generators. For example, the Dexus Sustainability team drives efficient asset performance through building upgrades, effective use of the building management system, and data analytics and sub-metering to assist the facility team in rectifying performance issues. Dexus incurs annual costs of approximately $2 million to maintain systems and resources for managing building energy efficiency and operating costs.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Reduced direct costs

Company-specific description
Dexus rates and benchmarks its office and retail properties to via a Building Energy Efficiency Certificate (BEEC), which comprises a) NABERS energy rating (valid for 12 months), and b) a Tenancy Lighting Assessment (valid for 5 years). Through these ratings, Dexus gains visibility of the potential for further energy efficiency improvements that can be implemented to reduce energy use, greenhouse gas emissions and reduce operating costs. For example, Dexus's premium office building at Governor Phillip Tower – 1 Farrer Place Sydney was the focus of several energy efficiency initiatives that led to an increase in NABERS Energy ratings from 4.5 stars to 5 stars, and reduced energy use by 11% and avoided costs of $97,000 per annum.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
26000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Benchmarking properties highlights opportunities to improve energy efficiency and reduce operating costs, which vary by property across the Dexus portfolio. On average, a Sydney-based property rated 5 stars is 18% more efficient than an equivalent 4.5-star NABERS Energy rated building. The Dexus office portfolio has achieved an average 5 star NABERS Energy rating. Since 2008, Dexus has prioritised energy efficiency across acquisitions, developments, and operations by implementing sustainability retrofit projects and sustainable design. Through this approach Dexus estimates that it has achieved a reduction in energy costs of approximately $26 million in FY20 stemming from previously-completed services upgrades.

Cost to realize opportunity
520000

Strategy to realize opportunity and explanation of cost calculation
Dexus rates and benchmarks its office and retail properties via a Building Energy Efficiency Certificate (BEEC), which comprises a) NABERS energy rating, and b) a Tenancy Lighting Assessment. For example, as at 30 June 2020 Dexus had rated 58 office and retail precincts plus 2 industrial properties under NABERS, representing 31% of all properties by number and 79% of total FUM. These benchmarks are used to report progress against Dexus's 2021 target to deliver 1,000,000sqm of office properties with a 5 star NABERS Energy rating or higher. In FY20, Dexus achieved 1,053,157sqm at a 5 star NABERS Energy rating or higher. Dexus develops and implements strategic improvement plans (SIPs), working with engineers to assess the efficiency and potential upgrade of HVAC systems and Building Management systems and software. An analysis is conducted to understand potential improvement of the property as a result of these upgrades versus the cost of the upgrades. Projects are scheduled for implementation within annual Asset Plans and savings are tracked by subsequent NABERS ratings. As a result of this process, Dexus has established programs to upgrade existing HVAC systems including modifying or replacing Building Management Control Systems, advanced building control analytics, and installation of high efficiency equipment across its managed office and retail portfolio. Dexus has incurred costs of $520,000 per annum for data and benchmarking activities - this is made up of internal and external resources, upgrades to software that stores and reports data and annual licence fees.

Comment
Costs incurred include the cost to change marketing collateral already in circulation (leasing brochures, web sites, leasing sign board materials); the cost of NABERS assessments on unrated properties; the cost of NABERS assessments brought forward for those properties due to expire; the cost of applications for exemptions, the costs from ratings for mixed use premises prior to clear guidelines being finalised, and the Legal costs arising from the interpretation of the Act. Collectively each property incurs costs in excess of $5,000 per annum.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Participation in carbon market

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
NSW Energy Savings Scheme (ESS): The ESS is a white certificate scheme in which businesses can register energy efficiency projects and create Energy Savings Certificates (ESCs) for each tonne of achieved greenhouse gas abatement. Dexus seeks to leverage the capital works undertaken within its NABERS improvement program to generate ESCs on an annual basis. For example, Dexus's portfolio in New South Wales generated 6,286 ESCs in FY20 through demonstration of electricity reductions due to energy efficiency projects. Revenue from sale of ESCs is estimated at approximately $220,000 per annum based on a price of $35 per ESC and is used to offset operational costs. The scheme is forecast to continue until 2025.

Time horizon
Medium-term

Likelihood
Virtually certain

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
220000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Dexus forecasts diminishing annual revenue between FY20 and FY21 of approximately $220,000 per annum based on a price of $35 per ESC. These funds have and will continue to offset operational costs which benefit both Dexus and its customers (tenants).

Cost to realize opportunity
52000

Strategy to realize opportunity and explanation of cost calculation
To participate in the Energy Savings Scheme, Dexus registered as an Accredited Certificate Provider and received accreditation for a Registered Energy Saving Activity (RESA) which outlined Dexus's proposed method, in line with prescribed methods, for generating ESCs in arrears based on changes in each property's NABERS Energy rating. Dexus established a baseline NABERS Energy rating prior to energy efficiency projects being implemented. Following 12 months of operation post project implementation Dexus re-rated each property and calculated the number of ESCs to generate based on the accredited method. Dexus then created the agreed number of ESCs and proceeded to sell those into the market. For example, in FY20 Dexus created 6,286 ESCs based on demonstration of electricity reductions due to energy efficiency projects. Dexus continues to rate each property on an annual basis to facilitate future claims. Dexus has incurred costs with establishing itself as an Accredited

Certificate Provider, including obtaining legal advice, collecting data and preparing baselines, internal labour costs and application fees. Dexus's annual cost to assess the energy efficiency of the eligible properties using NABERS Energy, which in turn supports participation in the Energy Saving Scheme, is approximately $52,000.

Comment

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased access to capital

Company-specific description
Dexus is of the view that it can deliver superior returns and sustained value by integrating ESG by measures such as implementing carbon reduction strategies, behaving in an ethical and responsible manner to its stakeholders and reducing the impact if its operations on the environment in which it operates. Dexus has the opportunity to leverage these outcomes to outperform the broader market and attract like-minded investors. For example, Dexus attracted the Australian Clean Energy Finance Corporation as an investor in its Dexus Healthcare Property Fund, in part because of Dexus's reputation for sustainable development. Indicatively, a 5% increase in capital due to market-leading sustainability performance would typically enable Dexus to access $140,250,000 per annum.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
140250000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The opportunity for managing reputation also is attracting new capital, delivering required returns to investors and enabling future growth, more competitive cost of capital and superior security price performance. Dexus's demonstrated reputation for prudent capital management as a responsible investor is attractive to debt investors and third party capital partners and assists when raising capital. For example, in FY20 Dexus raised circa $2,805 million through debt and third party capital raising activities. All prospective Private Placement investors are issued with a Private Placement Memorandum (PPM) or Information Memorandum (IM) in which it describes in detail its responsible investment approach regarding Governance, Management and Sustainability. Indicatively, a 5% increase in capital due to market-leading sustainability performance would typically enable Dexus to access $140,250,000 per annum.

Cost to realize opportunity
76000

Strategy to realize opportunity and explanation of cost calculation
Regulatory compliance, capital investment, carbon analysis and education of the Dexus's staff, its investors and other stakeholders form part of the way Dexus undertakes its responsibilities regarding carbon management. Dexus manages its reputation in this area through a commitment to a robust governance and management structure and a dedicated response to reporting requirements. Dexus has been recognised globally as a leader by inclusion on various indices, as outlined in its sustainability report including DJSI, FTSE4Good Index, MSCI and commitment to the CDP. For example, Dexus is a signatory to the Principles for Responsible Investment and has integrated these principles throughout the organisation. Dexus has retained its leadership status, achieving an A+ score for Strategy and Governance, and Direct Property modules in the 2020 PRI assessment. Dexus incurs additional, direct costs of approximately $76,000 per annum to participate in the above global sustainability surveys that benchmark Dexus against its local and international peers, as well as further costs for its inhouse Sustainability team and for maintaining memberships to industry associations.

Comment

Identifier
Opp4

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Shift in consumer preferences

Primary potential financial impact
Increased revenues resulting from increased demand for products and services

Company-specific description
Dexus has the opportunity to benefit from changing consumer behaviour, including by government and some private sector customers (tenants) that require a minimum level of energy efficiency in their office tenancies, and typically require buildings the occupy to hold an accredited NABERS Energy rating of 4.5 stars or higher. Dexus

undertakes a continued capital expenditure works program on its properties to deliver upgrades and innovation required to maintain efficiency levels. By ensuring Dexus properties meet the minimum performance requirements, Dexus bids for performance-related leasing deals which should lead to higher levels of occupancy rental income. For example, Dexus's office building at 14 Lee Street, Sydney is rated at 5.5 stars NABERS Energy, which has attracted and retained a New South Wales Government tenant for the whole building.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
5335000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The direct financial implications to Dexus of the opportunity can be measured by increases in building occupancy. For example, a 1% increase in occupancy due to Dexus meeting its customers' building performance-related requirements, and subsequent increase in demand, would increase rental income by approximately $5.34 million per annum across Dexus's listed portfolio. Dexus also benefits from the green premiums that offices with high NABERS ratings deliver as well as attracting customers seeking longer tenures, which contributes to reduced transaction costs. Dexus understands the opportunity that reducing greenhouse emissions can have on maximising returns.

Cost to realize opportunity
21600000

Strategy to realize opportunity and explanation of cost calculation
Dexus takes an ongoing approach to assessing and implementing energy efficiency projects as part of its capital works program. Dexus develops and implements strategic improvement plans, working with engineers to assess the efficiency and potential upgrade of lighting air conditioning systems and Building Management systems and software. Projects are scheduled for implementation within annual Asset Plans and savings are tracked by subsequent NABERS ratings, and energy and greenhouse gas emissions monitoring and reporting. For example, in FY20, approximately $21.6 million of expenditure was used to improve portfolio energy efficiency by taking advantage of lifecycle replacements to install high performing equipment or retrofit and electrify building systems. Example projects include upgrading existing HVAC systems including upgrading Building Management Control Systems, advanced building control analytics, installation of high efficiency chillers in some cases and modifications to the water distribution systems. In previous years, Dexus successfully improved the performance of Waterfront Place in Brisbane through a chiller upgrade at a cost of $3,900,000 and upgrades to lighting. The works resulted in an improvement in the building's NABERS energy rating to 5.5 stars, exceeding the 4.5-star NABERS Energy requirement that some Dexus customers (tenants) have set for their office space.

Comment

Identifier
Opp5

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Energy source

Primary climate-related opportunity driver
Use of lower-emission sources of energy

Primary potential financial impact
Reduced direct costs

Company-specific description
The opportunity exists for Dexus to capitalise on the use of onsite solar PV arrays to generate its own electricity and reduce direct costs that it incurs in its operations. Dexus has installed onsite solar at select properties under its operational control, including office properties such as 100 Harris Street in Pyrmont and retail properties such as Deepwater Plaza in Woy Woy. For properties within Dexus operational control, the self-generated electricity is used to directly offset the base building energy consumption from services such as air conditioning, lift services and other common area services. At 100 Harris Street , the onsite solar is projected to generate approximately 256,000kWh for the property in FY21, which is equivalent to over $50,000 saved per annum. At Deepwater Plaza in Woy Woy the expansion of its onsite solar system is expected to generate 310,000kWh, which is equivalent to approximately $28,000 saved per annum.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
78000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The indicative reduced direct costs is $78,000 per annum, using the estimated savings from solar energy generation at 100 Harris Street in Pyrmont and Deepwater Plaza in Woy Woy. Over a 12-month period, the solar array at 100 Harris Street is expected to generate 256,000kWh of energy which results in approximate cost reduction of $50,000 per annum based on quoted energy prices. The solar array at Deepwater Plaza is expected to generate over 310,000 kWh of electricity, which equates to a cost saving of approximately $28,000 per annum based on a cost of $0.09 kWh.

Cost to realize opportunity
1239000

Strategy to realize opportunity and explanation of cost calculation
Dexus has been progressively rolling out onsite solar PV arrays across suitable office and retail properties, such as 100 Harris Street in Pyrmont and Deepwater Plaza in Woy Woy. The quoted cost is $1,239,000 which was the cost to install solar PV arrays at 100 Harris Street ($250,000) and Deepwater Plaza ($989,000).

Comment

Identifier
Opp6

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development and/or expansion of low emission goods and services

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
There is opportunity for Dexus to expand its onsite solar PV array program to its industrial properties to partner with its customers (tenants) to reduce their emissions, whilst also providing an additional revenue stream to Dexus. This is achieved through selling the electricity generated from the solar panels to third party solar providers. Dexus has identified its Quarry at Greystanes industrial site in NSW as a potential site to partner with customers to expand the solar opportunities that potentially exist at its industrial assets. Dexus has conducted an initial assessment of the site which has the capacity to install a solar system that is estimated to generate over 5,400,000 kWh of electricity, which represents up to $540,000 in increased revenue per annum. The scale of this type of solar system can offer energy intensive customers significant saving to their electricity costs and reduce their carbon emissions to support their corporate sustainability goals.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
160000

Potential financial impact figure – maximum (currency)
540000

Explanation of financial impact figure
The indicative increase in revenue is between $160,000 (1.2MW system) and $540,000 (2MW system) per annum, which is calculated by applying an energy cost rate of $0.10 per kWh of the forecasted electricity range generated per annum. Over a 12-month period, the solar array at Quarry at Greystanes has the potential to generate up to 5,400,000 kWh of energy.

Cost to realize opportunity
2400000

Strategy to realize opportunity and explanation of cost calculation
Dexus has conducted initial site assessments of suitable industrial properties, such as Quarry at Greystanes in NSW to expand its onsite solar PV arrays program. The quoted cost is $2.4 million, which is the cost to install 2MW onsite solar PV arrays at Quarry at Greystanes based on quoted price from solar providers.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	The Australian property sector has been on a decarbonisation journey for some time with all Australian Real Estate Investments Trusts (AREITs) adopting some form of net zero emissions target. As members of the Green Building Council of Australia and Property Council of Australia, there is a dedicated focus on developing buildings with leading sustainability credentials. Dexus has had its net zero emissions by 2030 target in place since FY18 and is integrating energy efficiency initiatives across its property portfolio through Strategic Improvement Plans. Consequently, there is no plan to schedule a resolution item at a future AGM.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 8.5	Dexus's climate scenario analysis uses results from the highest emissions scenario (RCP8.5) from the 2014 IPCC report. This scenario was chosen to provide Dexus with an indication of worst-case climate-related outcomes, including the magnitude and specific locations where they are likely to occur. A geospatial analysis was conducted adapting the scenario to local geographical markets to map Dexus properties against their relevant climate-zones and link to the scenario outcomes. Risk exposure was rated for each property from Low to High using Dexus's standard 2-dimensional risk rating matrix, which assesses likelihood (from almost certain to rare), and consequence (from insignificant to catastrophic) for each type of physical risk. The scenario analysis was supplemented with NARCliM the highest resolution dataset available for Australia. The analysis excluded the climatic variabilities of humidity, solar radiation and mean wind speed due to their immaterial impact on the business. Analysis has informed overall level of physical risk and nominated identified-risk across all existing properties and identified and geographical hotspots. Climate scenario analysis is used to inform Dexus's acquisition strategy. During the acquisition process, Dexus conducts due diligence on the property's physical risk exposure in reference to the existing portfolio's exposure rankings, which has been reviewed over a 2030 and 2070-time horizons, as these typically align with the property's expected lifespan. Formal review is included in the acquisition due diligence checklist, and investment opportunities in high-risk properties are either abandoned or undergo appropriate adaptation planning. A climate scenario 2070-time horizon is used to inform the business of the trend of the forecasted magnitude of climate related risks and the spatial hot-spots, which can be used to inform long-term strategic planning. For example, the results of the climate-related scenario analysis showed that the Dexus office building at 36 Hickson Road, Millers Point has low risk exposure to cyclones, low to moderate exposure to flooding from extreme weather events, and is unlikely to be inundated by long-term effects of sea level rise, although the projected increase in hot days is likely to lead to increased electricity use in the building, which would increase operating costs for Dexus and its customers (tenants). In addition, Dexus has applied climate scenario analysis outcomes 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. This analysis has been used to align future targets with science-based outcomes to avoid serious climate-change effects and develop future targets on energy efficiency and renewable energy.
RCP 2.6 RCP 6 Nationally determined contributions (NDCs) Other, please specify (RCP 1.9, IPCC Shared Socioeconomic Pathways, PRI Inevitable Policy Response)	In addition to the use of RCP8.5, Dexus has used combinations of RCPs (RCP2.6, RCP6.0, RCP1.9) and Shared Socioeconomic Pathways (SSPs) published by the IPCC to explore three pathways that consider a range of transition pathways and risks to Dexus beyond its individual properties: - Pathway 1 (1.5°C warming by 2100) - an orderly transition to a low carbon economy based on the prioritisation of sustainable development and global cooperation - Pathway 2 (2°C warming by 2100) - A disorderly transition to a low carbon economy based on abrupt policy shifts that occur after years of delay (includes the Principles for Responsible Investment Inevitable Policy Response scenario) - Pathway 3 (may exceed 3°C by 2100) - A failure to transition to a low carbon economy because of protectionism and breakdowns in international collaboration The outcomes of the scenario analysis have been published in Dexus's report "Towards Climate Resilience", and have been used to inform future focus areas for how Dexus can enhance its climate resilience (in accordance with the existing priority areas of (a) reducing our impact, (b) adapting to climate changes, and (c) influencing our value changes. Examples of specific directions suggested by the scenario analysis for each priority area are: (a) Reducing Dexus's impact - continuing toward net zero emissions by 2030 through energy efficiency and 100% renewable energy - Exploring potential technology platforms for enabling peer-to-peer energy trading, and advocating for broader industry and regulatory change where required - Enhancing policies, procedures, and design briefs to ensure that climate-related issues are considered throughout the development process, including the use of minimum standards and stretch goals where appropriate (b) Adapting to climate changes - Expanding the use of property-level adaptation plans that specify enhancements to operational protocols and opportunities for resilience-enhancing investment, especially where properties are located in areas of elevated risk - inclusion of scenario analysis risks and opportunities in the due diligence process - tracking the development of factors identified in each scenario, to be incorporated into strategic decision-making (c) Influencing Dexus's value chain - Completing a supplier risk management assessment that focuses on supplier capacity to manage climate-related issues, and engage with suppliers where required to enhance their awareness and understanding - Integrating recycled or low embodied carbon materials in customer fit outs - Advocating for industry and government approaches that support broader adaptation to climate-related issues, such as the promotion of circular economy principles in waste management, changes to building code specifications, and incentives that support investment in low carbon initiatives

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Risks such as decreases to revenue, as well as opportunities associated with increased revenue, have impacted Dexus's products and services where there has been changing consumer preferences for energy efficient buildings that offer lower operational costs, particularly customers with minimum energy efficiency standards such as government customers (tenants). The magnitude of this impact has been high and occurring in the short term because the impacts of changing consumer preferences affect the entire Dexus-managed office portfolio and are being experienced at present. For example, a 1% reduction in occupancy due to changing consumer demand would reduce rental income by approximately $5.5 million per annum across Dexus's listed office portfolio. The most substantial strategic decision made to date that was influenced by these risks is the establishment of Dexus's net zero emissions by 2030 target. To support progress toward this target, Dexus applies a formal process to track building operational performance, via monthly performance meetings to track NABERS ratings, building upgrades and occupancy. Energy performance data is collected daily and feedback/diagnosis is provided to building managers to maintain or improve ratings. Dexus provides flexibility to accommodate customer needs through its 'simple and easy' lease and has embedded 'green leasing' within Dexus's new precedent lease to encourage customers to collaborate with Dexus on integrating sustainability within their buildings and tenancies. Dexus is also progressing options for on-site and off-site renewable energy to supply base building and tenant requirements as part of Dexus's climate resilience strategy, to reduce energy market volatility and climate exposure through progressive purchase agreements (PPA) and rooftop solar PV. Industrial rooftop leasing for solar PV is a product opportunity being investigated that reinforces Dexus's sustainability leader credentials and can add additional rental income to industrial properties.
Supply chain and/or value chain	Yes	Risks associated with increased cost of energy resulting from carbon pricing have impacted Dexus's supply chain in the short-term, as procurement of energy, water and cleaning have been identified as services with a high impact on Dexus's emissions. The magnitude of this impact is medium as energy, water and cleaning services represent approximately 20% of overall spend and extend across the entire Dexus managed portfolio. The most substantial strategic decision made in response to this risk has been the development of a mandatory Supplier Code of Conduct which sets out environmental performance objectives and expectations that suppliers contribute to Dexus's net zero emissions by 2030 target. In addition, Dexus develops and manage relationships with suppliers and contractors to encourage them to promote a best practice approach to employment practices, social outcomes and the environment. With increasing appetite for Green Star design and as-built ratings, Dexus has engaged building contractors across its developments to disclose the environmental impacts of their products, as specified in performance targets for new builds. Dexus looks to engage suppliers with high climate risk exposure to gain an understanding as to how those businesses are managing their climate risk. Dexus is also progressing opportunities to leverage Australia's transition to a low carbon economy, in line with Dexus's 2030 net zero emissions target and climate resilience strategy. For example, Dexus has completed feasibility studies at Quarry at Greystanes Industrial Estate in NSW and is progressing to tender on viable opportunities. Dexus will capitalise on further opportunities with third party renewable energy generators in the future.
Investment in R&D	Yes	Opportunities associated with enhanced energy efficiency, and thus reduced energy costs, have impacted Dexus's investment in R&D in the short term, where Dexus has invested in initiatives in its buildings to support the transition to a low carbon economy. This enables Dexus properties to maintain their cost-competitiveness and enable Dexus to meet increasing customer demands for high performing buildings. The magnitude of this impact is medium because climate-related issues are directing Dexus to focus on research and development that improves energy efficiency and reduces operating costs across its managed portfolio. Specific opportunities with application across the entire Dexus managed portfolio include benchmarking to drive energy efficiency and position Dexus as a market leader to protect and enhance its reputation, as well as leveraging government energy efficiency schemes to enhance project payback. The most substantial strategic decision made in response to this risk has been the rollout of Dexus's onsite solar renewables program. Across its industrial and retail properties, Dexus is collaborating with renewable energy generators on innovative delivery models for adding rooftop solar. Other R&D initiatives include engaging specialists to conduct feasibility studies on emerging technology, for example replacing gas boilers with electric equivalents, replacing refrigerants with a lower global warming potential, and geothermal heat pumps. Dexus trials emerging and market-tested technology prior to rolling out to the rest of its portfolio. For example, Dexus trialled a virtual engineering smart data program that applies 24/7 real-time analytics on building performance, improving energy efficiency and delivering cost savings. Following success of the virtual engineer trial, Dexus rolled out the program to 54 properties. To align with Dexus's net zero 2030 target, the sustainability team is collaborating with asset managers to take advantage of lifecycle upgrades as opportunities to retrofit building services and improve efficiency. Dexus expects that the innovation in energy efficiency and clean energy sector will drive and are critical in achieving 6-star NABERS energy ratings over the medium- to long-term.
Operations	Yes	Risks such as increased costs from property damage associated with extreme weather impacts, as well as opportunities such as decreased costs from energy efficiency initiatives, have impacted Dexus operations in the short term. The magnitude of impact related to property damage from extreme weather is generally low, but is higher in areas of known exposure, such as Far North Queensland. The magnitude of impact from energy efficiency initiatives is high as it relates to the entire Dexus managed portfolio. Dexus analyses and implements operational efficiencies to reduce energy use, develops budgets that take into consideration forecast movements in energy prices which are driven, in part, by climate related impacts. Energy is a significant operating cost, contributing around 10% of Dexus property-related operating expenses. The most substantial strategic decisions made to manage these risks is Dexus's group-wide wide procurement of electricity to reduce costs and manage climate-related risks, as well as Dexus's tracking of performance and identification of energy efficiency opportunities across the portfolio. To guide operations, Dexus has established environment policies, set continuous improvement targets, sustainability facility management team, installed metering and analytics, implemented an Environmental Reporting System, established NABERS tracking and continuous certification, and developed property-level energy efficiency Strategic Improvement Plans. Dexus conducts ESG due diligence for property transactions, applies technology and operational expertise to reduce resource use and emissions. In addition, regulatory compliance, capital investment, carbon analysis and education of staff, investors and other stakeholders form part of the way Dexus undertakes its responsibilities regarding carbon management. Dexus manages reporting compliance by utilising internal analysts and specialist consultants to manage, collect, maintain and assure environmental and emission data, and monitors all published material. To manage physical property risk, Dexus implements an Environmental Management System, certified under ISO 14001:2015. To manage Dexus's reputation and attract new capital, Dexus responds to investor questionnaires, ESG analyst data requests and sustainability benchmarking surveys to report on climate risk management and mitigation activities.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Capital expenditures Acquisitions and divestments Access to capital	INFLUENCING REVENUE PLANNING Opportunities from leasing roof space to third-party renewable energy generators have impacted the financial planning process for revenues in the short- and medium-term as the rooftop leasing model would increase the rental income generated from Dexus industrial properties and/or generate Large-scale Generation Certificates (LGCs) as potential additional revenue. Opportunities associated with customers increasing preference for energy efficient office buildings have impacted the financial planning process with regard to revenues through potential green premiums and increases in occupancy (and thus revenue) of energy efficient buildings. The overall magnitude of the impact of climate related risks and opportunities on the financial planning process with regard to revenue is low, however it applies to all properties across the group to some extent. The Dexus Research team monitors all key markets in which Dexus operates to understand and incorporate key megatrends, such as climate impacts on valuations, vacancy rates and rental returns. This research is used to inform annual asset planning in conjunction with upcoming lease expiry and market activity. INFLUENCING DIRECT COSTS PLANNING Climate-related physical risks associated with extreme weather damage to assets have impacted the financial planning process with regard to direct operating costs in the short-term as Dexus has forecasted increases in insurance premiums due to the tightening insurance market which is associated with increased climate-related claims. The magnitude of this impact is high for Dexus buildings in Far North Queensland that are exposed to tropical cyclones. In addition, risks associated with increased energy expenditure due to cost increases, as part of broader analysis of future energy market supply and demand, have impacted the financial planning process with regard to direct operating costs as Dexus has included considerations in budget items for base-building energy usage. INFLUENCING CAPITAL EXPENDITURE PLANNING Opportunities from enhancing building energy efficiency to reduce carbon emissions and save on energy costs have impacted the financial planning process with regard to allocation of capital expenditure in the short- and medium-term through the inclusion of items such as building plant upgrades that enhance energy efficiency. Climate-related physical risks associated with extreme weather damage have impacted the financial planning process with regard to capital expenditure through the inclusion of building resilience upgrades into capital expenditure budgets. INFLUENCING ACQUISITIONS AND DIVESTMENTS Climate-related physical risks such as sea level rise and transition risks such as building energy efficiency performance have impacted the financial planning process with regard to acquisitions and divestments across the short-, medium- and long-term though integration of climate-related risks into investment due diligence and decision-making. The due diligence process is used to identify ESG risks, such as exposure to physical climate risk, the ability to attract and meet customer (tenant) demand based on asset energy performance and the capital expenditure required to align the asset to meet Dexus's sustainability targets over the short- to medium-term. INFLUENCING ACCESS TO CAPITAL Opportunities associated with increased investment from ESG-focused investors have impacted the financial planning process with regard to access to capital in the short-term, as Dexus has attracted funding from clean energy interests for its Healthcare Wholesale Property Fund. Dexus's fund management clients have shown increasing interest in strong management of climate-related issues. Reputational considerations have impacted the financial planning process with regard to access to capital, as Dexus has increased its budget allocation towards participation in global surveys to improve transparency and assist Dexus to demonstrate its sustainability credentials when seeking new capital. Dexus allocates resources and costs to disclose its environmental performance through sustainability benchmarks including DJSI, GRESB, PRI, FTSE4Good Index, MSCI, and CDP Climate Change.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Not applicable.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2015

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2015

Covered emissions in base year (metric tons CO2e)

108986

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

81

Target year

2020

Targeted reduction from base year (%)

10

Covered emissions in target year (metric tons CO2e) [auto-calculated]

98087.4

Covered emissions in reporting year (metric tons CO2e)
87512

% of target achieved [auto-calculated]
197.034481493036

Target status in reporting year
Achieved

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain (including target coverage)
Within its 2015 Annual Review, Dexus set a target to "Reduce energy consumption and emissions across the Group by a further 10% by 2020 using the FY15 baseline." This target involves achieving a reduction in energy and subsequent Scope 1 and Scope 2 GHG emissions from purchased electricity and natural gas from Australian properties across the office, industrial and retail portfolios where Dexus has operational control measured on a financial year compared to a FY15 baseline. It was determined that it is more appropriate for Dexus to report and benchmark on a like for like portfolio due to property acquisitions and disposals and changes of operational control within the portfolios.

Target reference number
Abs 2

Year target was set
2015

Target coverage
Business activity

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2015

Covered emissions in base year (metric tons CO2e)
101477

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
66

Target year
2020

Targeted reduction from base year (%)
12

Covered emissions in target year (metric tons CO2e) [auto-calculated]
89299.76

Covered emissions in reporting year (metric tons CO2e)
82706

% of target achieved [auto-calculated]
154.148230633543

Target status in reporting year
Achieved

Is this a science-based target?
No, but we are reporting another target that is science-based

Target ambition
<Not Applicable>

Please explain (including target coverage)
This target is nominated as applying to a Business Activity as it applies across all Office properties, a subset of the group property portfolio. Within its 2015 Annual Review, Dexus set a target to "Deliver 1,000,000 square metres of office space rated at least 5 Star NABERS Energy rating." Together the baseline NABERS rating for these assets was 4.7 stars average and the targeted improvement is equivalent to a 11.7% reduction in GHG emissions. GHG emissions savings will result from implementing energy efficiency projects under Dexus's NABERS Improvement Program.

Target reference number
Abs 3

Year target was set
2018

Target coverage
Company-wide

Scope(s) (or Scope 3 category)
Scope 1+2 (market-based)

Base year
2018

Covered emissions in base year (metric tons CO2e)
146223

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
100

Target year
2030

Targeted reduction from base year (%)
70

Covered emissions in target year (metric tons CO2e) [auto-calculated]
43866.9

Covered emissions in reporting year (metric tons CO2e)
127537

% of target achieved [auto-calculated]
18.2558733675863

Target status in reporting year
Underway

Is this a science-based target?
Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition
1.5°C aligned

Please explain (including target coverage)
Dexus has committed to reduce scope 1 and scope 2 emissions by 70% by 2030 relative to a 2018 base year, in line with the Science-based target initiative sectoral decarbonisation approach for real estate. This supports a broader target which by Dexus has committed to achieve a net zero position for all carbon emissions across the group's managed property portfolio by 2030, which requires a 100% reduction, or net-zero scope 1, 2 emissions by 2030 across Dexus's operational control boundary. The SBT will be achieved through operational efficiency and renewable energy. The net zero emissions target will extend this, and be supported by minimal offsets to achieve a net zero position. Please refer to the C-FI Further Information section of the Dexus response, where confirmation of approval from the SBTi is attached.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Net-zero target(s)
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2015

Target coverage
Company-wide

Target type: absolute or intensity
Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	GJ

Target denominator (intensity targets only)
<Not Applicable>

Base year
2015

Figure or percentage in base year
503003

Target year
2020

Figure or percentage in target year
452703

Figure or percentage in reporting year
410143

% of target achieved [auto-calculated]
184.612326043738

Target status in reporting year
Underway

Is this target part of an emissions target?
Dexus's 10% energy reduction target is directly related to emissions target Abs1

Is this target part of an overarching initiative?
No, it's not part of an overarching initiative

Please explain (including target coverage)
Within its 2015 Annual Review, Dexus set a target to "Reduce energy consumption and emissions across the Group by a further 10% by 2020 using the FY15 baseline." This target involves achieving a reduction in energy and subsequent Scope 1 and Scope 2 GHG emissions from purchased electricity and natural gas from Australian properties across the office, industrial and retail portfolios where Dexus has operational control measured on a financial year compared to a FY15 baseline. It was determined that it is more appropriate for Dexus to report and benchmark on a like for like portfolio due to property acquisitions and disposals and changes of operational control within the portfolios.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number
NZ1

Target coverage
Company-wide

Absolute/intensity emission target(s) linked to this net-zero target
Abs3

Target year for achieving net zero
2030

Is this a science-based target?
No, but we are reporting another target that is science-based

Please explain (including target coverage)
Within its 2018 Annual Report, Dexus set a target to commit to achieving net zero emissions by 2030 across the Group-managed office, retail, industrial and healthcare portfolio. The target involves achieving zero emissions across Scope 1 and Scope 2 and incorporates Scope 3 emissions where Dexus controls the emissions outcome, including upstream and energy-related emissions and emissions resulting from waste from operations and water/waste-water use. The target also commits Dexus to reduce customer-related emissions by 25% by 2030. Dexus's pathway to net zero involves increasing energy and resource efficiency, utilising renewable energy and fuel switching away from fossil fuels, and minimal offsetting. Transitioning to 100% renewable electricity will account for circa 82% of Dexus's net emissions and the remaining circa 18% of emissions will be offset using nature-based offsets (e.g. bush regeneration projects) purchased through the Australian carbon credit unit market or appropriately certified international projects.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	114	
To be implemented*	137	13712
Implementation commenced*	3	144
Implemented*	79	3793
Not to be implemented	371	

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Building Energy Management Systems (BEMS)

Estimated annual CO2e savings (metric tonnes CO2e)
833

Scope(s)
Scope 1
Scope 2 (location-based)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
100071

Investment required (unit currency – as specified in C0.4)
1076000

Payback period
11-15 years

Estimated lifetime of the initiative
16-20 years

Comment
The estimated annual CO2 savings relates to projects listed as "Implemented" from C4.3a. Average pay back period is 10.8 years, based on the additional energy efficiency investment required to improve performance above lifecycle replacement cost which resulted in reductions in the scope1, 2 and 3 greenhouse gas emissions. Dexus's building controls upgrade program consists of replacing or enhancing building management control systems (BMCS) including: 1) hardware upgrades to direct digital control (DDC); 2) adding additional monitoring and control points (e.g. energy valves with inbuilt sensors) to provide more granular visibility and control; 3) whole building BMCS replacement with current best practice systems. Opportunities are identified by site teams, during proposed refurbishment works or via energy audits. Building control recommendations were presented to optimise NABERS outcome, occupant comfort and contribute to long term performance targets.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)

Estimated annual CO2e savings (metric tonnes CO2e)
1505

Scope(s)
Scope 1
Scope 2 (location-based)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
147910

Investment required (unit currency – as specified in C0.4)
997000

Payback period
4-10 years

Estimated lifetime of the initiative
21-30 years

Comment
The estimated annual CO2 savings relates to projects listed as "Implemented" from Question 4.3a. Average pay back period is 6.7 years, based on the additional energy efficiency investment required to improve performance above lifecycle replacement cost which resulted in reductions in the scope1, 2 and 3 greenhouse gas emissions. Dexus's HVAC efficiency program seeks to reduce energy consumption, maintain tenant comfort conditions and maximise HVAC system performance, via: 1) plant and equipment upgrades; 2) reducing 'mid-season' consumption by use of fresh air economy cycles and optimum start controls; 3) reticulation systems to variable volume utilising variable speed drives; 4) balancing and commissioning to optimise operational performance.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting

Estimated annual CO2e savings (metric tonnes CO2e)
907

Scope(s)
Scope 1
Scope 2 (location-based)
Scope 3

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
143875

Investment required (unit currency – as specified in C0.4)
800000

Payback period
4-10 years

Estimated lifetime of the initiative
16-20 years

Comment
The estimated annual CO2 savings relates to projects listed as "Implemented" from C4.3a. Average pay back period is 5.6 years, based on the additional energy efficiency investment required to improve performance above lifecycle replacement cost which resulted in reductions in the scope1, 2 and 3 greenhouse gas emissions. Dexus's lighting upgrade program involves the installing high efficiency luminaires and lamps as follows: 1) upgrades using T5 and LEDs for common areas including foyers, lift lobbies, external security lighting and within 'spec' fitouts; 2) adding movement, occupancy and daylight controls; 3) HID high-bay lamps with lower wattage LED replacements. Maintenance service providers collaborate with asset managers to identify and implement opportunities in order to achieve building energy performance and NABERS targets including Dexus's 10% energy reduction target.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	Dexus runs an Annual Risk and Sustainability roadshow for operations employees to improve training in emissions reduction and assist with implementation of specific programs. The training of Dexus employees is an integral component of ensuring investment in emissions reduction activities is supported and further innovation is encouraged. To measure and assist the process, Dexus also runs an Annual Employee Survey with questions relating to sustainability, environment and risk forming part of the survey to drive engagement to emissions reduction and other sustainability activities.
Financial optimization calculations	Dexus's Investment and Asset Managers closely monitor the financial performance of each asset including its operating costs and valuations and seek ways of reducing the cost of tenant outgoings to attract customers (tenants) and increase occupancy, and thereby increase the property's valuation. Energy costs are a significant property expense, and energy efficiency and reductions in associated greenhouse gas emissions provide an attractive way to improve building performance and optimise financial metrics. Annual asset plans are developed for each property which include the proposed capex on building upgrades including energy efficiency improvement projects. The Dexus Sustainability team works with the asset management teams on the design and implementation of energy efficiency projects to ensure that emissions reduction and associated cost benefits are realised within the proposed solution.
Compliance with regulatory requirements/standards	Dexus participates and complies with the NGER Act and the Commercial Building Disclosure Legislation (BEED Act).
Other (Sustainable building design)	Dexus is committed to developments that drive emission reduction e.g. designing and building market leading Green Star properties certifying Office properties to 5 minimum stars and designing Industrial properties to equivalent to 4 stars. In Industrial, Dexus corporates ESD initiatives into design and presents Green Star certification opportunities to all customers (tenants) it engages with on industrial new builds. Design features include native landscaping which require minimal watering and water tanks to capture roof rainwater for landscape irrigation and plumbing purposes as well as investigating the validity of accessing warehouse roof spaces for solar power generation.
Other (Dedicated budget for benchmarking building performance)	Each year Dexus allocates a budget for conducting NABERS ratings across the office and retail portfolios. NABERS ratings enable building benchmarking and transparent reporting of building performance to investors. Dexus's Strategic Improvement Plans (SIPs) demonstrate expected NABERS rating increases per project and the capex spend associated with the improvement. The improvement in NABERS ratings demonstrates value for money for investors through becoming more competitive and enhancing the potential tenant pool. Dexus was the first property group to NABERS rate its entire internally managed retail portfolio in Australia. This further demonstrates commitment to improving the operational efficiency of its buildings for both customers (tenants) and investors as well as being compliant with the BEED Act.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Company-wide

Description of product/Group of products
Dexus's customers avoid upstream Scope 3 greenhouse gas emissions from occupying Dexus's buildings that represent Australian best practice in energy efficiency and GHG emissions management. This product is classified within the Low Carbon Investment (LCI) Registry taxonomy [Category->Type of Investment->Sub-type] as Buildings->Green Buildings->New and Existing Commercial and Retail Buildings. Since FY08, Dexus has reduced its Scope 1 and 2 emissions by 746,487 tCO2-e across the Group's office portfolio due to ongoing emissions reductions activities that deliver energy efficient air conditioning, lighting, and transportation services. Dexus designs and operates office buildings to achieve 5 stars NABERS energy rating or better. In FY20, the Dexus Group Office portfolio was rated 5 stars NABERS Energy, with over 80% of properties rated at 5 stars or better. Tenants gain benefit from occupying highly efficient buildings that lower GHG emissions by 50% or more, when measured against an average building with a 3star NABERS rating.

Are these low-carbon product(s) or do they enable avoided emissions?
Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Low-Carbon Investment (LCI) Registry Taxonomy

% revenue from low carbon product(s) in the reporting year
47

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Dexus focuses on the following key initiatives to reduce or limit greenhouse gas emissions in partnership with tenants: a) Base building energy efficiency: Dexus has formally tracked NABERS Energy ratings across its portfolio since 2008 and its Office portfolio average rating has improved from 3.2 stars to 5.0 stars in FY20. Over that time Dexus has implemented over 700 projects across its office portfolio to improve energy efficiency and reduce greenhouse gas emissions for the direct benefit of tenants. Examples include upgrades to HVAC mechanical plant, lighting retrofits, building control upgrades and recommissioning, installation of sub metering, and ongoing performance monitoring. b) New building design: Dexus applies the Green Star rating tool (administered by the Green Building Council of Australia) within the design and construction of new office assets and sets NABERS energy commitments, typically 5 stars or better, for each new development. For example, in FY20 Dexus completed a development at The Annex, 12 Creek Street in Brisbane, which was awarded a 5 star Green Star Design and As Built rating. Tenants directly benefit from occupying highly efficient new buildings that lower greenhouse gas emissions by 50% or more, when measured against most current building stock, where a 3 star NABERS energy rating represents average performance. Since FY08, the Scope 1 and 2 emissions intensity of the Group's office portfolio has improved from 131kgCO2-e/sqm to 65kgCO2-e/sqm in FY20 due to ongoing emissions reductions activities combined with periods of low occupancy arising from the COVID-19 pandemic. Dexus has applied the methodology, assumptions, emission factors and global warming potentials published within the National Greenhouse and Energy Reporting (NGER) Act as the basis for its emission reduction calculations. Dexus is not currently considering generating CERs or ERUs within the framework of CDM or JI (UNFCCC).

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
July 1 2007

Base year end
June 30 2008

Base year emissions (metric tons CO2e)
6226

Comment

Scope 2 (location-based)

Base year start
July 1 2007

Base year end
June 30 2008

Base year emissions (metric tons CO2e)
151951

Comment

Scope 2 (market-based)

Base year start
July 1 2007

Base year end
June 30 2008

Base year emissions (metric tons CO2e)
136106

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Australia - National Greenhouse and Energy Reporting Act
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
17212

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We are reporting a Scope 2, market-based figure

Comment
Dexus's market-based Scope 2 emissions accounts for voluntary purchase of accredited GreenPower for properties in Australia, with the residual mix calculated using state-based electricity grid emission factors. GreenPower purchases are unbundled and consist of purchases from government-accredited, emission-free renewable sources including wind and solar.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
117920

Scope 2, market-based (if applicable)
110324

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
474

Emissions calculation methodology
Other indirect emissions: Paper procured at Dexus tenancies (tCO2-e) = total weight of paper purchased (kg) x emissions factor (kgCO2/t)/1000. Factor: Emission Factor= kg x 2.35. Source: Climate Active [Member: Australian Paper 2017 Public Disclosure Statement]; Potable water usage within Dexus tenancies and associated wastewater= water (kL) x emissions factor (tCO2/ML) x 1000; Factor: Water & wastewater: NSW = 0.808, VIC=0.885, QLD=0.679, WA=1.148 tCO2-e/ML: Derived from emission intensity figures published by Australian National Life Cycle Inventory Database (AusLCI v1.30); Hotel accommodation = number of guest nights x emissions factor (kgCO2/guest night)/1000; Factor: Australia = 66.2; Source:Baseline Energy Consumption and Greenhouse Gas Emissions In Commercial Buildings in Australia: Part 1 - Report, Nov 2012, pg 53, Factor: International = 59.9; Source: United Kingdom Department for Business, Energy and Industrial Strategy - Greenhouse gas reporting conversion factors 2019; Other sources as follows have been calculated = emissions (source) = financial spend ($) x ISA emissions intensity factor (kgCO2-e/$)/1000, using a Licensed version of the Input-Output Analysis calculator developed by the Integrated Sustainability Analysis (ISA) Research Team at the University of Sydney (www.isa.org.usyd. edu.au) - using the following: Industry Allocation: Domestic telecommunication services, Factor = 0.16;Industry Allocation: Printing & Stationary, Factor = 0.73; Industry Allocation: Data processing services, Factor = 0.148; Industry Allocation: Postal Services, Factor = 1.5; Industry Allocation: Courier Services, Factor = 1.5; Industry Allocation: Meat (beef), Factor = 1.86; Industry Allocation: Meat (poultry), Factor = 1.42; Industry Allocation: Seafood, Factor = 0.24; Industry Allocation: Confectionery, Factor = 0.44; Industry Allocation: Vegetable Products, Factor = 0.35; Industry Allocation: Oats, sorghum and other cereal grains, Factor = 0.47; Industry Allocation: Dairy Products, Factor = 0.61; Industry Allocation: Oil & Fats, Factor = 0.65; Industry Allocation: Beer, Factor = 0.80; Industry Allocation: Other; Factor = 0.27; Industry Allocation: Spirits, Factor = 0.16; Industry Allocation: Soft Drinks, Factor = 0.22.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Capital goods

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
As defined by GHG Protocol, Capital goods are defined as manufacturing/construction of capital equipment owned or controlled by the reporting company. Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. The organisation does not have capital goods that are material in nature and therefore not relevant. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
76683

Emissions calculation methodology
Energy indirect emissions from transmission and distribution losses associated with purchased electricity across Dexus managed properties and tenancies plus indirect emissions from base building energy use from properties where a co-owner manages on behalf of Dexus (tCO2-e) = (annual total electricity consumption (kWh) x scope 3 emissions factor (kgCO2-e/kWh)/1000. Factor: Scope 3 Emission factors Electricity: NSW & ACT= 0.09 (kg CO2-e/kWh), VIC = 0.10 (kg CO2-e/kWh), QLD = 0.12 (kg CO2-e/kWh), SA = 0.10 (kg CO2-e/kWh), WA = 0.04 (kg CO2-e/kWh). Source: Energy indirect: National Greenhouse Accounts (NGA) Factors (August 2019), Table 44. Energy indirect emissions from transmission and distribution losses associated with purchased natural gas across Dexus investment properties (tCO2-e)= (annual total natural gas consumption (GJ) x scope 3 emissions factor (kgCO2-e/GJ)/1000. Factor: Scope 3 Emission factors - Natural Gas: NSW & ACT= 12.8 (kg CO2-e/GJ), VIC = 3.9 (kg CO2-e/GJ), QLD = 8.7 (kg CO2-e/GJ), SA = 10.4 (kg CO2-e/GJ), WA = 4.0 (kg CO2-e/GJ). Source: Energy indirect: National Greenhouse Accounts (NGA) Factors (August 2019), Table 41

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. Dexus has assessed the materiality of transportation and distribution associated with purchased goods and services and determined that it is not relevant. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
12903

Emissions calculation methodology
Other indirect emissions from waste to land fill and recycled waste from Dexus's investment properties and tenancies (tCO2-e) = total weight of waste to landfill (tonnes) x emissions factor (tCO2/tonne). Factor: Waste to Landfill Emission Factor = 1.2 (t.CO2-e/tonne). Source: Other indirect: National Greenhouse Accounts (NGA) Factors (August 2019), Table 47; Factor: Recycled Waste = derived by stream from "A study into commercial & industrial (C&I) waste and recycling in Australia by industry division" - Available at: http://www.environment.gov.au/system/files/resources/91b2180c-b805-44c5-adf7-adbf27a2847e/files/commercial-industrial-waste.pdf. Weight-based measurement for waste collection occurs at selected Dexus properties and this data is used to develop density factors for each specific waste collection stream which are used to convert waste data that is collected in volume to an equivalent weight across the remaining Dexus sites.; Other indirect emissions from potable water usage within Dexus investment properties and associated wastewater= water (kL) x emissions factor (tCO2/ML) x 1000; Factor: Water & wastewater: NSW = 0.808, VIC=0.885, QLD=0.679, WA=1.148 tCO2-e/ML: Derived from emission intensity figures published by Australian National Life Cycle Inventory Database (AusLCI v1.30)

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
714

Emissions calculation methodology
Other indirect emissions from air travel for Dexus employees (tCO2-e) = (total km travelled per category x category emissions factor). Factor: Domestic 0.1627; Short haul Economy 0.1728; Short Haul Business 0.2592; Medium Haul Economy: 0.1662, Medium/Long Haul Business: 0.4820; Long Haul Prem. Economy 0.2660; Medium/Long Haul First Class: 0.6649 - Source:United Kingdom Department for Business, Energy and Industrial Strategy - Greenhouse gas reporting conversion factors 2019: Methodology Paper for Emission Factors. Other indirect emissions from taxi travel for Dexus employees (tCO2-e) = [Taxi spend $ x emissions factor]. Factor: [0.044 kg CO2/$ - Source: Analysis of regional taxi fares - Australia Taxi Industry Association & Victorian Environment Protection Agency. Other indirect emissions from car mileage for Dexus employees (tCO2-e) = total kL fuel consumed x (scope 1+ scope 3) emissions factor (tCO2/GJ). Factor: Fuel combustion emission factor- Gasoline (other than for use as fuel in an aircraft). Energy content factor (GJ/kL) 34.2, Emission factor (CO2: 67.4, CH4: 0.02, N2O:0.2); Scope 3 emissions factor = 3.6. Source: NGA factors (August 2019) Table 4, Fuel combustion emission factors (Transport Fuels) & Table 43: Scope 3 emission factors- liquid fuels and certain petroleum-based products. Other indirect emissions from hire cars for Dexus employees (tCO2-e) = total kL fuel consumed x (scope 1+ scope 3) emissions factor (tCO2/GJ). Factor: Fuel combustion emission factor - Gasoline (other than for use as fuel in an aircraft). Energy content factor (GJ/kL) 34.2, Emission factor (CO2: 67.4, CH4: 0.02, N2O:0.2); Scope 3 emissions factor = 3.6. Source: NGA factors (August 2019) - Table 4, Fuel combustion emission factors (Transport Fuels) & Table 43, Scope 3 emission factors - liquid fuels and certain petroleum-based products.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
294

Emissions calculation methodology
Other indirect emissions from employee commuting for all national employees (tCO2-e) were calculated using the following process: 1. Dexus surveyed staff in June 2018 to collect data on employee commuting habits, with a response rate of 57%. 2) Scope 3 emissions from employee commuting (tCO2-e) were compiled for each survey response with emissions arising from the following modes of travel: bus, train, tram, ferry, car, and pooled car as well as zero emission sources including walking/running and cycling. 3) The total emissions were extrapolated to cover 100% of Dexus FTEs. 4) A 10% contingency was added to determine the total emissions for employee commuting for all national employees (tCO2-e). Calculations: for each mode of transport, greenhouse gas emissions (tCO2-e) = total passenger distance (pkm) travelled x combined emissions factor (kgCO2/pkm/1000). Combined emissions factors(kgCO2/pkm): walking = 0, cycling = 0, bus = 0.105, train = 0.041, tram = 0.035, ferry = 0.004, medium car = 0.192, large car = 0.283. Sources: Bus, ferry, tram, train = EPA VIC GHG inventory and management plan FY2018/19 p25, Vehicles = NGER Technical Guidelines 2015. NGA Factors August 2015, Table 4, p.16 and Table 39, p.66.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain

Upstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. Dexus does not have a fleet of cars or any other leased assets that are material and therefore have not been included in the inventory. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Downstream transportation and distribution

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. Dexus has assessed the materiality of transportation and distribution associated with sold goods and services and determined that it is not material to its business. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. Dexus does not manufacture or produce products therefore has deemed emissions from processing of sold products not relevant to its business. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Use of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. Dexus does not manufacture or produce products therefore has deemed emissions from use of sold products not relevant to its business. Dexus has calculated and included scope 3 emissions impacted by its operations. These were determined based on the criteria listed for scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

End of life treatment of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. Dexus does not manufacture or produce products therefore has deemed emissions from end of life treatment of sold products as not relevant to its business. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Downstream leased assets

Evaluation status
Relevant, calculated

Metric tonnes CO2e
147892

Emissions calculation methodology
Energy indirect emissions from tenant electricity use across Dexus managed investment properties, and base and tenant emissions from properties managed by co-owners (tCO2-e) = (annual total consumption (kWh) x scope 2 & 3 emissions factor (kgCO2-e/kWh)/1000. Factor: Full Fuel Cycle Emission factors. Electricity: NSW & ACT= 0.90 (kg CO2-e/kWh), VIC = 1.12 (kg CO2-e/kWh), QLD = 0.93 (kg CO2-e/kWh), SA = 0.54 (kg CO2-e/kWh), WA = 0.73 (kg CO2-e/kWh). Source: Energy indirect: National Greenhouse Accounts (NGA) Factors (August 2019), Table 44. The emissions cover 37% of lettable area (i.e. it excludes 63% of lettable area).

Percentage of emissions calculated using data obtained from suppliers or value chain partners
37.17

Please explain

Franchises

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus does not have any Franchises. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Investments

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Dexus invests directly in Australian office and industrial properties and also manages office, industrial and retail properties on behalf of third party capital partners. Dexus does not hold indirect investments. Dexus has calculated and included Scope 3 emissions impacted by its operations. These were determined based on the criteria listed for Scope 3 emissions in the GHG Protocol and based on the NCOS Standard.

Other (upstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C-CN6.6/C-RE6.6

(C-CN6.6/C-RE6.6) Does your organization assess the life cycle emissions of new construction or major renovation projects?

	Assessment of life cycle emissions	Comment
Row 1	Yes, both qualitative and quantitative assessment	

C-CN6.6a/C-RE6.6a

(C-CN6.6a/C-RE6.6a) Provide details of how your organization assesses the life cycle emissions of new construction or major renovation projects.

	Projects assessed	Earliest project phase that most commonly includes an assessment	Life cycle stage(s) most commonly covered	Methodologies/standards/tools applied	Comment
Row 1	On a case by case basis	Pre-design phase	Whole life	EN 15978 ISO 14040/44	Dexus is aware of the importance of embodied carbon as part of a whole-of-life approach to reducing the carbon emissions of its properties. Dexus's building contractor for Dexus's office property at 105 Phillip Street, Parramatta completed a life cycle assessment to profile and improve the environmental performance of the construction works at the property. Additionally, Dexus has completed a pilot life cycle assessment at a property to test the method and how it can be used to inform development design, construction and operation. The assessment complied with ISO 14040, ISO 14044, and building LCA standard EN15978. The assessment uses scoping building quantity and resource use data to highlight environmental hotspots, informing early design decisions, optimising material selection and operations of the building life cycle. The assessment identified that concrete and steel contribute approximately 91% of the total carbon emissions, as well as to a significant proportion of other environmental impacts. It identified that the largest users of operational energy are lighting, ventilation and exhaust. Recommendations from the assessment include: Target up to 30% Supplementary Cementitious Material (SCM) in project's concrete. Replacing cement in concrete can significantly reduce a building's environmental impact. - Promote use of recycled steel throughout the project - Consider necessary thickness of slabs and pre-cast concrete to reduce material use - Investigate installation of Photovoltaic systems to reduce reliance on grid energy - Install LED lighting throughout the building

C-CN6.6b/C-RE6.6b

(C-CN6.6b/C-RE6.6b) Can you provide embodied carbon emissions data for any of your organization's new construction or major renovation projects completed in the last three years?

	Ability to disclose embodied carbon emissions	Comment
Row 1	Yes	

C-CN6.6c/C-RE6.6c

(C-CN6.6c/C-RE6.6c) Provide details of the embodied carbon emissions of new construction or major renovation projects completed in the last three years.

Year of completion
2018

Property sector
Office

Type of project
New construction

Project name/ID (optional)
105 Phillip Street Parramatta Project

Life cycle stage(s) covered
Whole life

Normalization factor (denominator)
IPMS 2 – Office

Denominator unit
square meter

Embodied carbon (kg/CO2e per the denominator unit)
90.2

% of new construction/major renovation projects in the last three years covered by this metric (by floor area)
3

Methodologies/standards/tools applied
EN 15978
ISO 14040/44

Comment

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000123

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
127537

Metric denominator
unit total revenue

Metric denominator: Unit total
1380500000

Scope 2 figure used
Market-based

% change from previous year
24.7

Direction of change
Decreased

Reason for change
Dexus's CO2e/$revenue intensity decreased because total revenue (the denominator) increased by 22.8% while combined Scope 1 and 2 emissions decreased by (7.60%). Despite net acquisitions putting upward pressure on portfolio energy use, this intensity metric decreased in part due to Dexus's resource consumption reduction program, the installation of sub and smart meters, retail centre building upgrades and plant replacements, support for Building Services Managers who ensure the buildings are performing to their optimum, and good management and engineering practice. Emissions have also reduced in-part due to low occupancy within Dexus properties in April to June 2020 arising from the COVID-19 pandemic.

Intensity figure
0.049409

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
138022

Metric denominator
square meter

Metric denominator: Unit total
2793454

Scope 2 figure used
Market-based

% change from previous year
10.8

Direction of change
Decreased

Reason for change
During FY20 the lettable area (square metres) of properties within the portfolio increased by 0.4%, while corresponding emissions decreased by 7.60%, resulting in an overall decrease to the intensity metric. This overall decrease in due in part to portfolio emissions reduction activities including major plant replacements and upgrades, Dexus's resource consumption reduction program, the installation of sub and smart meters, retail centre building upgrades and plant replacements, support for Building Services Managers who ensure the buildings are performing to their optimum, good management and engineering practice, and an increase in renewable energy purchasing. Emissions have also reduced in-part due to low occupancy within Dexus properties in April to June 2020 arising from the COVID-19 pandemic.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	6778	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	13	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	5	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	10417	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	17212

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division
By activity

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
Dexus Office Trust: equity apportionment of operational control emissions	6219
Dexus Industrial Trust, Dexus Operations Trust, Dexus Diversified Trust equity apportionment of operational control emissions	1144
Dexus Wholesale Property Fund; equity apportionment of operational control emissions	3506
Dexus Healthcare Property Fund; equity apportionment of operational control emissions	0
Other Dexus Third Party funds and mandates	3042
Co-owners' share of emissions under Dexus operational control	3301
Corporate operations	0

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Office properties	14394
Industrial properties	130
Retail properties	2688
Healthcare properties	0
Corporate tenancies	0

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Australia	117920	110324	141588	34175

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division
By activity

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Dexus Office Trust: equity apportionment of operational control emissions	41344	38044
Dexus Industrial Trust, Dexus Operations Trust, Dexus Diversified Trust equity apportionment of operational control emissions	11100	10300
Dexus Wholesale Property Fund; equity apportionment of operational control emissions	29429	28373
Dexus Healthcare Property Fund; equity apportionment of operational control emissions	0	0
Other Dexus Third Party funds and mandates	20185	18203
Co-owners' share of emissions under Dexus operational control	15099	14642
Corporate operations	763	763

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Office properties	96258	88662
Industrial properties	2758	2758
Retail properties	18141	18141
Healthcare properties	0	0
Corporate tenancies	753	763

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	541	Decreased	0.4	Emissions have decreased across Dexus operations by 0.4% due to increased consumption of self-generated or purchased renewable energy. Dexus generates electricity from on-site solar PV systems and purchases accredited renewable energy as additional purchases which are accounted for in Dexus's market-based Scope 2 emissions reported in C6.3. The 0.4% decrease is equal to 541 tCO2-e / 140,112 t.CO2-e where 541 is the change in emissions from changes in renewable energy consumption and 140,112 t.CO2-e is the total Scope 1 and 2 market-based emissions reported by Dexus for FY19.
Other emissions reduction activities	4651	Decreased	3.3	Emissions have decreased across Dexus operations primarily due to several integrated, targeted emissions reduction activities. These include major plant replacements and upgrades, Dexus's resource consumption reduction targets, the installation of sub and smart meters, retail centre building upgrades and plant replacements, increased training for onsite Building Services Managers to ensure optimal building performance and best practice building management and engineering. The 3.3% decrease is equal to 4,651 tCO2-e / 140,112 t.CO2-e where 140,112 is the change in emissions from emission reduction activities and 140,112 t.CO2-e is the total Scope 1 and 2 market-based emissions reported by Dexus for FY19.
Divestment	2786	Decreased	2	During the FY20 reporting period, Dexus divested several properties which has contributed to a 2,786 t.CO2-e or 2.0% reduction in emissions reported. The 2.0% decrease is equal to 2,786 tCO2-e / 140,112 t.CO2-e where 2,786 is the change in emissions from properties that were disposed during the reporting period and 140,112 t.CO2-e is the total Scope 1 and 2 market-based emissions reported by Dexus for FY19.
Acquisitions	5556	Increased	4	During the FY20 reporting period, Dexus acquired or obtained operational control over several properties. As a result of additional properties being included as new sources of GHG emissions there was an increase of 5,556 t.CO2-e or 4.0% in emissions reported. The 4.0% increase is equal to 5,556 tCO2-e / 140,112 t.CO2-e where 5,556 is the change in emissions from properties that were acquired during the reporting period and 140,112 t.CO2-e is the total Scope 1 and 2 market-based emissions reported by Dexus for FY19.
Mergers	0	No change	0	Not applicable for the reporting year.
Change in output	5039	Decreased	3.6	Dexus property operations were affected by the global COVID-19 pandemic, with regional restrictions and lock downs resulting in buildings operating with very low occupancy between April and June 2020. As a result, Dexus shutdown building systems for floors that were entirely vacant and maintained core building services for those businesses that required essential workers to remain on-site. As a result, emissions from lifts, cooling and ventilation reduced, while emissions from space heating in winter increased. The net impact was that emissions have decreased by 5,039 t.CO2-e or 3.6% in FY20 when measured against FY19. The 3.6% increase is equal to 5,039 tCO2-e / 140,112 t.CO2-e where 5,039 is the net change in emissions resulting from reduced building operations brought about by COVID-19 related low occupancy restrictions and 140,112 t.CO2-e is the total Scope 1 and 2 emissions reported by Dexus for FY19.
Change in methodology	2090	Decreased	1.5	Dexus has observed minor changes to its FY19 inventory post-reporting due to the continued capture of billing data which was received after its reporting deadlines. In addition, energy retailers have revised invoiced quantities for a selected number of invoices. Together, these ongoing data management changes have improved the accuracy of Dexus's inventory with estimated data replaced by actual data. These changes resulted in a decrease of 2,090 t.CO2-e or 1.5% of emissions reported. The 1.5% decrease is equal to 2,090 tCO2-e / 140,112 t.CO2-e where 2,090 is the change in emissions resulting from methodology changes and 140,112 t.CO2-e is the total Scope 1 and 2 market-based emissions reported by Dexus for FY19.
Change in boundary	3025	Decreased	2.2	Dexus has removed a small number of sites from the FY19 to FY20 like for like figures due to major changes in operational control or as a result of redevelopment activities, in which resulted in abnormal step changes in emissions. The 2.2% decrease is equal to 3,025 tCO2-e / 140,112 t.CO2-e where 3,025 is the change in emissions resulting from operational control changes and 140,112 t.CO2-e is the total Scope 1 and 2 market-based emissions reported by Dexus for FY19.
Change in physical operating conditions	0	No change	0	Not applicable for the reporting year.
Unidentified	0	No change	0	There is no unidentified reason for changes to emissions between reporting years.
Other	0	No change	0	Not applicable.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 5% but less than or equal to 10%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	36258	36258
Consumption of purchased or acquired electricity	<Not Applicable>	34175	107412	141588
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	540	<Not Applicable>	540
Total energy consumption	<Not Applicable>	34715	143671	178386

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
1032

MWh fuel consumed for self-generation of electricity
1032

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
70.2

Unit
kg CO2e per GJ

Emissions factor source
Australia - NGER Measurement Determination 2008, Schedule 1, Part 3, July 2019

Comment

Fuels (excluding feedstocks)
Natural Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
35227

MWh fuel consumed for self-generation of electricity
0

MWh fuel consumed for self-generation of heat
35227

MWh fuel consumed for self-generation of steam
<Not Applicable>

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
0

Emission factor
51.53

Unit
kg CO2e per GJ

Emissions factor source
Australia - NGER Measurement Determination 2008, Schedule 1, Part 2, July 2019

Comment

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	540	540	540	540
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method
Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Australia

MWh consumed accounted for at a zero emission factor
7337

Comment
Dexus purchases a portion of its total electricity in the form of emission free, accredited GreenPower (for the FY20 reporting period, this was 7,337 MWh) that offsets a percentage of electricity used in buildings that has been sourced from carbon intensive sources (such as electricity sourced from coal-fired power stations). The quantity of GreenPower is sourced from production from wind and solar farms in Australia and is government accredited (being a joint initiative of the ACT, NSW, SA, QLD and VIC Governments in Australia).

Sourcing method
Unbundled energy attribute certificates, other - please specify (Australian Large-scale generation certificates (LGCs))

Low-carbon technology type
Low-carbon energy mix

Country/area of consumption of low-carbon electricity, heat, steam or cooling
Australia

MWh consumed accounted for at a zero emission factor
26838

Comment
Australia's Large-scale Renewable Energy Target (LRET) incentivises the development of renewable energy power stations in Australia through a market for the creation and sale of certificates called large-scale generation certificates (LGCs). Dexus purchases LGCs for a portion of its total electricity (for the FY20 reporting period, this was 19% or 26,838 MWh) that offsets a percentage of electricity used in buildings that has been sourced from carbon intensive sources (such as electricity sourced from coal-fired power stations). LGCs are created by accredited renewable energy generators with electricity sourced from eligible natural resources such as the sun, wind, ocean waves and the tide, geothermal-aquifers, wood waste, agricultural waste, bagasse (sugar cane waste), black liquor (a by-product of the paper-making process), or landfill gas. One LGC is equivalent to one megawatt-hour of electricity.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CN9.6a/C-RE9.6a

(C-CN9.6a/C-RE9.6a) Provide details of your organization's investments in low-carbon R&D for real estate and construction activities over the last three years.

Technology area
Construction methods

Stage of development in the reporting year
Full/commercial-scale demonstration

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)

Comment
Historically, little attention has been paid to minimising waste office de-fit projects, with around 80% of materials being sent to landfill. Dexus has collaborated with the City of Sydney's Better Buildings Partnership to develop its Waste Strip out Management Guidelines. Recognising the scale of the opportunity, in 2015 Dexus set a target to consistently demonstrate a resource recovery rate of 80% from de-fitting vacant space by 2020, adopting a circular economy approach by actively identifying charities and markets for re-use and increasing waste diversion from landfill. Over the past five years, Dexus has conducted research and development across over 80 projects to improve recycling rates to lower the use of raw materials and associated carbon emissions. Life cycle analysis techniques were used to assess the carbon and cost impacts for selected projects with each actual outcome assessed against two reference cases. The analysis shows that carbon savings of between 10% and 20% are being achieved for a comparable project cost.

Technology area
Integration of renewable energy sources in buildings

Stage of development in the reporting year
Basic academic/theoretical research

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)

Comment
Within its new developments Dexus actively seeks to integrate renewable energy sources. One such technology is Building Integrated Photovoltaics (BIPV) which involves integrating solar generating PV cells within vision glazing and spandrel materials, to generate renewable electricity to offset grid purchases. Dexus has conducted desktop reviews of products from manufacturers and for one pilot project progressed to the stage of cost/benefit analysis for quotation by the builder, however it did not proceed. Dexus continues to evaluate the technology and identify feasible installation opportunities.

Technology area
HVAC systems

Stage of development in the reporting year
Applied research and development

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)

Comment
Electrification is an important consideration for Dexus in its transition to net-zero emissions by 2030. At present, Dexus's buildings consume natural gas for space heating and domestic hot water. For two recent projects involving the end-of-life replacement of boilers, Dexus has conducted research and development to understand the technical and economic issues for replacing boilers with an all-electric solution powered by renewable energy.

Technology area
Resilient buildings

Stage of development in the reporting year
Large scale commercial deployment

Average % of total R&D investment over the last 3 years
≤20%

R&D investment figure in the reporting year (optional)

Comment
Resilience to the long-term effects of climate change is a key priority for Dexus development projects. For key projects in climate-affected areas Dexus collaborated with its ESD consultants to conduct additional building modelling to understand the building performance impacts from changes in median temperatures and frequency of extreme heat days. These results have informed decisions regarding the building facade and HVAC systems, as well as biophilia plans.

C-RE9.9

(C-RE9.9) Does your organization manage net zero carbon buildings?
No, but we plan to in the future

C-CN9.10/C-RE9.10

(C-CN9.10/C-RE9.10) Did your organization complete new construction or major renovations projects designed as net zero carbon in the last three years?
No, but we plan to in the future

C-CN9.11/C-RE9.11

(C-CN9.11/C-RE9.11) Explain your organization's plan to manage, develop or construct net zero carbon buildings, or explain why you do not plan to do so.

Dexus develops new office properties in line with the Green Building Council of Australia's (GBCA) Green Star rating system, targeting at least 5 stars, with some projects achieving 6 stars. Dexus has been assisting the GBCA on the update to its latest Green Star for New Buildings standard, in which 5-star ratings will require buildings to be 'net zero carbon ready' and 6-star buildings to be 'net zero carbon from commencement'. With upcoming developments targeting up to 6 stars, Dexus has been involved in a trial of the tool to better understand the additional requirements. Dexus goal to achieve net zero emissions has been factored into the development briefs, which is leading to the specification of highly efficient, all-electric buildings, which Dexus intends to power via a combination of on-site solar PV and off-site renewable energy. These projects are in Dexus's forward development pipeline over the next seven years.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2020 PwC Assurance Opinion and Criteria.pdf

Page/ section reference
1

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2020 PwC Assurance Opinion and Criteria.pdf

Page/ section reference
1

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3 (upstream)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
2020 PwC Assurance Opinion and Criteria.pdf

Page/section reference
1

Relevant standard
ASAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C8. Energy	Energy consumption	ASAE3000	Limited assurance also included assessment of total energy consumption, measured in gigajoules (GJ) reported by Dexus across its operational control boundary during FY20.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
Victorian Lowland Forest, Australia and InfraVest Changbin and Taichung bundled Wind Farms Project in Taiwan, China (Stapled). The Victorian Lowland Forest 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. InfraVest Changbin and Taichung bundled Wind Farms project involves the development of two onshore wind farms (103.5 MW and a 46 MW). The project consists of 45 plus 20 wind turbines each with a capacity of 2.3 MW. The project will generate 507 MWh/year, which is delivered to the national grid. The electricity produced will be exported to the regional state electricity authority Tai-Power. Therefore, the emission reductions from the project activity will come from the avoidance of carbon dioxide emissions from fossil fuel use at the national electricity grid.

Verified to which standard
Gold Standard

Number of credits (metric tonnes CO2e)
850

Number of credits (metric tonnes CO2e): Risk adjusted volume
850

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Energy efficiency: households

Project identification
Production and dissemination of Ceramic Water Purifiers by Hydrologic, in the Kingdom of Cambodia. To date, no Ceramic Water Purifier programs have been commercially viable in Cambodia. This project will provide access to adequate levels of clean drinking water to an estimated 1.7 million people across 312,000 households over seven years. This project directly addresses several of the United Nations Millennium Development Goals (MDGs), including goal 4 and 7, and especially to halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation. It also integrates the principles of sustainable development into country policies and programs and reverses the loss of environmental resources, reducing child mortality, improving maternal health, combating disease, ensuring environmental sustainability, and developing a global response to the threat of climate change.

Verified to which standard
Gold Standard

Number of credits (metric tonnes CO2e)
100

Number of credits (metric tonnes CO2e): Risk adjusted volume
100

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Forests

Project identification
Rimba Raya Biodiversity Reserve Project, Central Kalimantan, Indonesia. 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 circa 90km eastern border of the park.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
100

Number of credits (metric tonnes CO2e): Risk adjusted volume
100

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
Bundled Wind Power Project, Madhya Pradesh, Gujarat and Kerala in India. The wind power generated from this project will displace the electricity generated from thermal power stations feeding into Indian grid (Indian Electricity Grid) and will be replace the usage of diesel generators required for meeting the power demand during shortage periods. Since the wind and solar power is Green House Gas (GHG) emissions free, the power generated will prevent the anthropogenic GHG emissions generated by the fossil fuel based thermal power stations comprising coal, diesel, furnace oil, and gas. The estimation of GHG reductions by this project is limited to carbon dioxide (CO2) only. The proposed project activity involves the installation of Wind Power Projects. The total installed capacity of the project is 112.5 MW; which involves the operation of Wind Turbine Generators (WTGs) in multiple states of India.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
1000

Number of credits (metric tonnes CO2e): Risk adjusted volume
1000

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Solar

Project identification
Bundled Solar Power Project, Tamil Nadu and Telangana, India. The purpose of this project is to diversify India’s fossil fuel-dominated energy mix, investing in renewables to ensure India’s continued development and future prosperity. This greenfield project comprises five solar photovoltaic (SPV) 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.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
1850

Number of credits (metric tonnes CO2e): Risk adjusted volume
1850

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

Credit origination or credit purchase
Credit purchase

Project type
Wind

Project identification
Shangyi Dongshan Wind Farm Project, Hebei, China. The purpose of the project is to generate renewable power and deliver it to the North China Power Grid by utilising wind resources for electricity generation through the construction of a wind farm. The wind farm will have 33 sets of wind turbines with a capacity of 1.5 MW each, which amount to total capacity of 49.5MW and a 220kV substation in Shangyi County, Hebei Province, China. The project will achieve greenhouse gas (GHG) emission reductions through the displacement of mainly fossil-fuel dominated grid connected power generation. The estimated annual net electricity generation supplied to the grid is 112,600 MWh and the annual full-load operation time amount to 2,275 h per year. The estimated emission reduction is 104,819 tCO2e annually.

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)

1100

Number of credits (metric tonnes CO2e): Risk adjusted volume
1100

Credits cancelled
Yes

Purpose, e.g. compliance
Voluntary Offsetting

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Change internal behavior
Drive energy efficiency
Other, please specify (Customer Engagement)

GHG Scope
Scope 1
Scope 2
Scope 3

Application
Dexus has used an internal carbon price to set its budget for delivering net zero emissions across its investment portfolio. The current price is a blend of the cost to transition to renewable electricity, plus investment.

Actual price(s) used (Currency /metric ton)
24.65

Variance of price(s) used
Dexus uses a uniform pricing methodology that is applied company wide across Australia, in particular New South Wales, Victoria, South Australia, Queensland and Western Australia. Dexus has used the weighted-average price of renewable purchasing of electricity and nature-based offsets for remaining emissions to determine its internal carbon price. Dexus expects this price to fluctuate over time as demand and price for nature-based offsets increase and the price of electricity and Green Certificates decrease due to increased availability of wind and solar power.

Type of internal carbon price
Implicit price
Offsets

Impact & implication
Applying a price to our carbon emissions has assisted Dexus with budgeting the cost for transitioning to net zero emissions, and influencing internal behaviour towards efficient use of products, has enhanced the business case for energy efficiency projects, and increased the preference for low-carbon or carbon neutral products in procurement, development projects and property acquisitions. Furthermore, setting a carbon price on our direct emissions is a first step towards preparing Dexus for a future external price across broader goods and services, should it arise.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?
Yes, our suppliers
Yes, our customers
Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement
Compliance & onboarding

Details of engagement
Included climate change in supplier selection / management mechanism

% of suppliers by number
5

% total procurement spend (direct and indirect)
11

% of supplier-related Scope 3 emissions as reported in C6.5
5

Rationale for the coverage of your engagement
In FY20 Dexus finalised an extensive process to review its waste and cleaning service specifications across its managed office properties nationally. In line with Dexus sustainable procurement policy, tender responses were assessed across financial and non-financial metrics with a focus on maximising customer satisfaction, minimising environmental impacts through improved recycling and waste stewardship practices. The new contracts came into effect across the portfolio between December 2019 and February 2020 and are already resulting in an enhanced service for Dexus and our customers. One of the requirements has been the installation of scales to improve the accuracy of waste data collected by cleaning teams. Improvements to waste data will help Dexus engage with customers about waste management practices and benchmark property performance using NABERS Waste. All Dexus suppliers engaged through its standard procurement contract are required to abide to the Dexus Supplier Code of Conduct. Principle 2 of the Code dictates that suppliers and contractors must minimise carbon emissions, reduce transport footprints and minimise the use of materials and resources. Dexus also engages with contractors on their contribution towards Dexus's environmental targets to reduce energy use and emissions.

Impact of engagement, including measures of success
Dexus conducts regular meetings with cleaning and waste supplier partners where ESG items are discussed and tabled. Dexus receives monthly reports on environmental impacts from waste and recycling, as well as utility data on energy and water consumption, which form part of Dexus's scope 3 emissions. Dexus tracks supplier non-conformance with regard to performance. Dexus measures success in operational performance via its property NABERS Energy ratings, which measures the greenhouse gas emissions, and NABERS Waste ratings, which measure waste volumes and diversion from landfill. In FY20 Dexus recorded a 2.7 star NABERS waste rating across 28% the group's managed office portfolio.

Comment

Type of engagement
Engagement & incentivization (changing supplier behavior)

Details of engagement
Offer financial incentives for suppliers who reduce your operational emissions (Scopes 1 &2)
Offer financial incentives for suppliers who reduce your downstream emissions (Scopes 3)
Offer financial incentives for suppliers who reduce your upstream emissions (Scopes 3)

% of suppliers by number
1

% total procurement spend (direct and indirect)
12

% of supplier-related Scope 3 emissions as reported in C6.5
8

Rationale for the coverage of your engagement
Dexus incentives its facilities management and waste and cleaning contractors through its contract whereby the contractor can reduce its operating costs by improving energy and water efficiency, and maximising waste diverted from landfill. As a result, waste contractors are driven to develop waste management plans, install infrastructure to segregate waste streams, and engage with tenants on waste management practices to improve recycling rates and diversion from landfill. Suppliers receive financial benefit by increasing waste diversion due to avoided costs and rebates that are available for recyclable waste streams. Facilities managers are driven to optimise energy and water use by implementing efficiency improvement projects, and to manage HVAC contractors to monitor plant performance using fault detection software to reduce wastage.

Impact of engagement, including measures of success
Dexus measures success in operational performance via its property NABERS Energy ratings, which measures the greenhouse gas emissions, and NABERS Waste ratings, which measure waste volumes and diversion from landfill. In FY20 Dexus recorded a 5.0 star NABERS energy rating across the group's managed office portfolio and a 2.7 star NABERS waste rating across 15 office portfolio.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement
Education/information sharing

Details of engagement
Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number
29

% of customer - related Scope 3 emissions as reported in C6.5
2

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Tenants occupying Dexus office properties are key stakeholders in minimising their emissions via the amount of waste produced from Dexus properties, and maximising the diversion rate to avoid downstream waste-related greenhouse gas emissions. Dexus engages with tenants on waste management and emissions reductions through lobby activations, digital customer engagement portals, and information presented via building and lift screens. Dexus runs periodic e-waste collection for its customers across office and industrial properties. Dexus also engages with customers when climate-related hazards may affect them. During the 2019/20 summer bushfires, Dexus engaged with customers to advise them f days of poor air quality and responded to enquiries regarding the practices being employed to avoid smoke haze and particulates from entering our buildings.

Impact of engagement, including measures of success
Dexus measures success in operational performance via its property NABERS Energy ratings, which measures the greenhouse gas emissions, and NABERS Waste ratings, which measure waste volumes and diversion from landfill. In FY20 Dexus recorded a 5.0 star NABERS energy rating across the group's managed office portfolio and a 2.7 star NABERS waste rating across 15 office portfolio. Dexus measures success in engaging with customers via an annual customer engagement survey in which includes sustainability-related questions and through which we measure the Net Promoter Score. In FY20 Dexus achieved a +50 Net Promoter Score, and and increase from FY19's score of +46.

Type of engagement
Education/information sharing

Details of engagement
Share information about your products and relevant certification schemes (i.e. Energy STAR)

% of customers by number
40

% of customer - related Scope 3 emissions as reported in C6.5
6

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Tenants occupying Dexus office and retail properties are impacted by the amount of energy used by Dexus to deliver base building services. Reducing usage leads to lower outgoings and lower greenhouse gas emissions. Dexus engages with tenants regarding their outgoings and responds to their feedback on building comfort. Dexus publishes results of its NABERS ratings on its website, and within the property using foyer displays and 'in-lift' advertising screens. Dexus also advertises NABERS ratings for all properties to prospective tenants. The NABERS rating system provides a clear and simple way for Dexus to communicate the environmental performance of its properties. Dexus sets targets to improve NABERS ratings and engages with tenants on projects being undertaken in their building.

Impact of engagement, including measures of success
Dexus measures success in operational performance via its property NABERS Energy ratings, which measures the greenhouse gas emissions, and NABERS Waste ratings, which measure waste volumes and diversion from landfill. In FY20 Dexus recorded a 5.0 star NABERS energy rating across the group's managed office portfolio and a 2.7 star NABERS waste rating across 15 office portfolio. Dexus measures success in engaging with customers via an annual customer engagement survey in which includes sustainability-related questions and through which we measure the Net Promoter Score. In FY20 Dexus achieved a +50 Net Promoter Score, and increase from FY19's score of +46.

Type of engagement
Collaboration & innovation

Details of engagement
Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number
91

% of customer - related Scope 3 emissions as reported in C6.5
62

Portfolio coverage (total or outstanding)
<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement
Through ‘green leasing’, Dexus seeks joint commitment from its tenants to participate in building efficiency initiatives and collaborate where necessary to strive to achieve building performance targets. Dexus, one of the Better Building Partnership’s founding members, introduced a Simple and Easy Lease, which incorporates green lease provisions as specified in the BBP’s commercial green leasing standard. Dexus’s new lease has achieved a Gold rating under the BBP leasing standard, which is the highest level available. This enables an active partnership been Dexus and tenants and seeks to deliver better environmental outcomes and reduce outgoings. Within these clauses Dexus and its tenant each commit to managing and operating the building and premises to promote energy efficiency and minimise the environmental impact of its use and occupation.

Impact of engagement, including measures of success
Tenancy agreements now include a Green Lease clause as standard. These were included in Dexus new leases and lease renewals. Dexus measures its success in the number and percentage of tenants signing new leases that include a Green Lease clause. Take up of the green lease clauses for new leases across the portfolio was 97% in FY20.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Dexus has joint venture partners, where co-ownership of properties exists. Dexus engages with joint property owners at an operational level to bring consistency and awareness to climate change issues and awareness initiatives, and to drive investment decisions that result in operational efficiency improvements that support Dexus's energy and greenhouse gas emission reduction goals. For example, in FY20 Dexus engaged with joint property managers net zero carbon strategy for co-owned assets. Dexus also engaged with joint venture partners to ensure that all Dexus properties are rated under NABERS to support Dexus's target to achieve 1,000,000 square metres of office properties rated at 5 stars or higher. The measures of success include maximising the energy efficiency and improving and maintaining the NABERS rating of co-owned properties in line with agreed strategies and plans.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support	Dexus supported engagement by the Property Council of Australia (PCA) with the Australian Department of Industry, Science, Energy and Resources (through the Centre of International Economics) on the review of the Commercial Building Disclosure (CBD) Program under the Building Energy Efficiency Disclosure Act 2010 (the BEED Act). The review examined whether the CBD Program is effective in improving the energy efficiency of commercial office buildings and whether to expand the mandatory NABERS disclosure requirements to office tenancies, shopping centres, hotels and data centres.	Dexus supports enhancements to the CBD program as it leverages NABERS as a robust framework to promote energy performance within buildings and drives demand for better performance.
Clean energy generation	Support	Dexus has engaged extensively with the National Australian Built Environment Rating (NABERS), a national initiative managed by the NSW Department of Planning, Industry and Environment, to provide feedback on the Future of the NABERS Energy rating. The proposed changes to the NABERS Energy rating tool seek to adapt its benchmarking to reflect the decarbonisation of the electricity grid and rise of net zero targets in the property sector. The changes discussed include how to treat market-based emissions, whether to include large-scale generation certificate (LGCs) in its recognition of "renewables", and whether the benchmark should be an energy-based or emissions-based benchmark. The changes recognise additional forms of clean energy generation and seeks to drive attention and climate action on the aims of the United Nations (UN) Paris Agreement.	Dexus has committed to achieving net zero by 2030 in line with the UN Paris Agreement and supports changes to the NABERS Energy rating tool that will put greater emphasis on climate action and support Australia's transition to net zero.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association
Property Council of Australia

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Property Council of Australia (PCA) states that climate change is a reality. The PCA's response is to focus on eco-efficient - less in, more out - assets and use effective strategic planning of cities. Supported in publicly available media releases, the PCA is focused on its members delivering more efficient buildings and calls for solutions to unlock energy assets to deliver better infrastructure.

How have you influenced, or are you attempting to influence their position?
Dexus's engagement is through membership of the Property Council of Australia (PCA) as well as in a leadership capacity with Dexus's Executive General Manager, Funds Management as a PCA Board director and Dexus's Chief Financial Officer a member of the CFO roundtable. An additional 50 Dexus employees participate in committees, roundtables and working groups. Dexus proactively participates in PCA initiatives where the industry body consults membership on policy submissions and Dexus regularly responds to consultation requests from policy makers. Dexus supports all policies for actions on climate change mitigation and adaptation. Dexus aligns with the PCA in influencing policy of local, State and National regulators to encourage implementation of new technology and initiatives in developments through changes to building codes. These include renewable energy, water harvesting and community energy provision. Dexus also advocates for more efficient implementation of legislation relating to climate change industry improvements and changes in local government regulations improving recycling and energy usage. There are no activities that Dexus is involved in which oppose policy or action on climate change mitigation and adaptation.

Trade association
Green Building Council of Australia

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Green Building Council of Australia (GBCA) is committed to developing a sustainable property industry for Australia by encouraging the adoption of green building practices. It is uniquely supported by both industry and governments across the country.

How have you influenced, or are you attempting to influence their position?
The Green Building Council of Australia (GBCA) is a national, not-for-profit organisation whose key objectives are to drive the transition of the Australian property industry towards sustainability by promoting green building programs, technologies, design practices and operations as well as the integration of green building initiatives into mainstream design, construction and operation of buildings. Dexus is a member of the GBCA and during FY20 actively supported the GBCA's aims and its Green Star building rating methodologies. During FY20, Dexus collaborated with the GBCA by joining their early access program for the proposed Green Star for New Buildings rating tool during the development of an avocado and banana ripening facility at Foundation at Truganina, Victoria. The industrial facility is targeting a 5 Star Green Star rating under the existing rating tool (Green Star Design & As Built), and as part of the early access program Dexus aligned its approach with draft credits from the New Buildings tool. Dexus's participation has provided the GBCA with insights as to challenges and opportunities for further investigating when applying the draft New Buildings tool to industrial facilities. Dexus rates key development projects using the Green Star design rating tools and was a participant on the working group that developed the Green Star Performance methodology. As part of this working group, Dexus assisted in drafting and shaping credits to become the tool's performance metrics which ensure buildings are managed to reduce greenhouse gas emissions, reduce waste to landfill, increase biodiversity, reduce water consumption, and save energy in their operations. During FY20, Dexus maintained Green Star Performance ratings across 76 office and retail properties.

Trade association
Investor Group on Climate Change (IGCC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Investor Group on Climate Change (IGCC) is a collaboration of Australian and New Zealand investors focusing on the impact that climate change has on the financial value of investments. The IGCC recognise that the financial return of an investment is impacted by climate change. As such, the IGCC aims to encourage government policies and investment practices that address the risks and opportunities of climate change, for the ultimate benefit of superannuates and unit holders.

How have you influenced, or are you attempting to influence their position?
Dexus is a member of the IGCC and participates in its Materials for Transition to Zero Carbon working group. Through this working group, Dexus actively contributes to property related discussions and assists IGCC with understanding and progressing key investor issues relating to property risk management and disclosure. Dexus provides general support for the initiative in various non-public forums.

Trade association
Sydney Better Buildings Partnership

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
City of Sydney Better Buildings Partnership (BBP) represents over 50% of the office floor space across Sydney's CBD. Commercial landlords (partnering companies) have an important role to play in improving the energy, water and waste efficiency of Sydney's existing buildings. BBP's solutions and initiatives are implemented via four technical groups, each of which focuses on a specific challenge facing the commercial and public sector property industry: environment, waste, tenant engagement and benchmarking.

How have you influenced, or are you attempting to influence their position?
Dexus is a founding member of the Sydney-based Better Building Partnerships (BBP). The Partnership aims to develop collaborative solutions and initiatives to overcome sustainability related barriers and achieve substantial improvements in the environmental performance of their buildings. Dexus also is a member of four BBP technical working groups, each of which focuses on a specific challenge facing the commercial and public sector property industry: environment, waste, tenant engagement and benchmarking. It is through these working groups that the BBP's solutions and initiatives are implemented. Dexus is a regular attendee and assists with developing BBP's position on a range of issues. Dexus also acts as an active spokesperson and hosts meetings and events.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

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

b) Dexus is a member of the Green Star Performance Technical Working Group hosted by the Green Building Council of Australia which, along with industry, is advocating a holistic green building management tool for the built environment. As part of this working group, Dexus assists in drafting and shaping the tool's performance metrics which ensure building operations are managed to reduce greenhouse gas emissions, reduce waste to landfill, increase biodiversity and reduce energy and water consumption. During FY20, Dexus maintained Green Star Performance ratings across 76 office and retail properties.

c) The Dexus office portfolio is weighted towards the Sydney CBD and, aligning to Dexus's Leading Cities sustainability objective, Dexus is an active member of the Committee for Sydney and is a member of the Innovation Fund Partnership which supports the committee's goal to advance pragmatic and innovative solutions to benchmark Sydney as the best city in the world, including Sydney's approach to addressing climate-change risk. The partnership has enabled the committee to advance its research and advocacy program on areas including benchmarking Sydney's performance, reinvigorating Sydney's night time economy, designing a city for women and local government reform. Through these initiatives Dexus, along with other partnership members, can champion enhancements to the economic, social, cultural and environmental conditions of Sydney that align with Dexus's corporate sustainability goals, and that enable Sydney to be a competitive and liveable global city.

d) Dexus collaborates with CitySwitch a national tenant energy efficiency program, as both signatory and landlord within the CitySwitch program. Dexus's 100 Harris Street, Pyrmont office property participated in the Better Building Cup hosted by CitySwitch to become the happiest, healthiest and most sustainable workplace in Australia. Dexus engaged with its customers at 100 Harris Street on initiatives aimed at improving their awareness of energy, water and waste consumption to reduce emissions. Following the commissioning of a rooftop solar array at the property in 2019, the property increased its NABERS Energy rating to 5 stars in FY20. This improvement contributed to Dexus achieving its target of certifying 1,000,000 square metres of office space rating at a minimum of 5 star NABERS Energy rating by FY20.

e) Dexus employees have also given presentations and participated on panels focused on raising the benchmark for sustainable development and corporate action on ESG, such as, 2019 Smart Buildings Summit (November 2019) where Dexus presented on the rollout of its smart building blueprint, Green Building Council of Australia Carbon Positive Partners Conference (November 2019) where Dexus presented its journey to net zero emissions by 2030, and several remote presentations conducted through the COVID-19 pandemic, including webinars with the Property Council of Australia, Melbourne University and the Asia Pacific Real Estate Association.

f) Post 30 June 2020, Dexus became a founding member of the Australian Climate Leaders Coalition, which brings together CEOs to drive emissions reductions.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Day-to-day activities are coordinated via the Dexus Sustainability Team in consultation with the Asset Services team. The team meets monthly with minutes distributed to key internal stakeholders. The Sustainability Team reports to the Corporate Executive Committee and the Board ESG Committee, which monitor the team's activities for consistency against strategic objectives. The objectives of these Committees are to assist the Board in fulfilling its responsibilities by reviewing the Group's operational risk management, sustainability practices and procedures including climate change strategies. The Investor Relations, Communications and Sustainability team coordinates and oversees the publication of all external documents. A formal, structured process involving a materials approvals database is applied for the review and approval of all announcements, presentations and publications by relevant subject experts. Investor Relations, Communications and Sustainability determines key spokespeople who are able to engage in public debate or comment on specific topics, including advocating on sustainability, with these people undergoing media training.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
2020 Sustainability Report.pdf
2020 Annual Report.pdf

Page/Section reference
2020 Annual Report (page 54-55), 2020 Sustainability Report (137-147)

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In voluntary sustainability report

Status
Complete

Attach the document
2020 Sustainability Report.pdf

Page/Section reference
Page 44-55, Page 75-97, Page137-147

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In voluntary communications

Status
Complete

Attach the document
Dexus Towards Climate Resilience report.pdf

Page/Section reference
3-26

Content elements
Governance
Strategy
Risks & opportunities
Emission targets

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

Documents attached:

RE100 Supplementary Reporting
RE100 Reporting Spreadsheet 2021_Dexus.xlsx
Dexus science-based target confirmation from the Science Based Targets initiative - Decision Letter - Dexus 27_06_2019.pdf

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer and Executive Director	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

Dexus owns and manages a portfolio of office and industrial properties, and on behalf of third party clients manages office, industrial, retail and healthcare properties around Australia, comprising more than 4,000 tenants and customers.

Customers vary in size from small businesses to major corporate and government organisations including:
- Listed and privately held companies in the fields of banking, property management, insurance, legal, transport and logistics, retailing, telecommunications and mining
- State and federal government agencies that require minimum building performance standards
- Small to medium enterprises including accountants and consultants
- Major department stores and supermarkets
- Media and entertainment cinema operators
- Small retailers, cafes and restaurants

Dexus integrates sustainability outcomes into its service delivery to customers through its Sustainability Approach (https://www.dexus.com/discover-dexus/sustainability/sustainability-approach) which incorporates the UNPRI 'six principles' within its goal of "Creating sustained value by integrating environmental, social and governance issues across the property lifecycle".

Dexus understands its influence on the broader environment via the places it creates and their impact on health, wellbeing, and productivity. Dexus applies an outward looking approach to manage its environmental performance and risks.

Dexus works closely with customers to improve their sustainability performance and awareness.

Dexus's delivery framework is based on five key areas:
1. Partnerships with customers to meet their needs - offering incoming support with fit outs and move planning
2. Platform and data services - connecting with customers to collect and respond to their feedback, as well as provide them with relevant information and services. Examples include the customer survey, digital signage and customer portals, such as the Customer Support Centre
3. Community - creating a hub for property occupants and visitors through events, concierge services and sustainability initiatives
4. Products and services - providing a range of value-added services at its properties to support comfort and productivity. Examples include childcare, end of trip facilities, retail spaces and artwork in communal spaces
5. Intelligent buildings - operating safe, efficient, connected, high-performing assets. For example, efficient lighting, security, and accessibility

Dexus assists customers during fit outs to minimise energy use and their environmental footprint by providing tenant fit out guides, fit out design reviews for impacts on base building, and procurement assistance via preferred Dexus suppliers.

Dexus collaborates with City Switch, a national tenant energy efficiency program, as both a signatory and a landlord within the City Switch program. Dexus aims to drive improvements in customers ' energy efficiency through green building committees and awareness programs including Earth Hour and the National Australian Built Environment Rating System (NABERS).

Dexus collaborates with customers, suppliers, and facility management partners to:
- Save energy and water
- Maximise energy and water productivity
- Reduce greenhouse gas emissions
- Reduce the amount of waste transported to landfill

Dexus achieves this by tracking consumption and greenhouse gas emissions, setting continuous improvement targets, conducting ongoing energy management processes and initiatives and implementing energy efficiency and fuel switching projects. Base building refurbishments consider energy efficiency and environmental impacts of products and services.

Dexus further reduces its emissions impacts by generating energy onsite from renewable sources at selected sites, and supplements this by purchasing accredited, emission-free GreenPower. Dexus has committed to achieve net zero emissions by 2030 and its net zero target has been verified by the Science Based Targets initiative as consistent with the effort required to limit global temperature increases to 1.5°C. Dexus maintains Carbon Neutral certification for its corporate operations under the National Carbon Offset Standard via participation in the Australian Carbon Neutrality program.

Customers directly benefit from these initiatives via avoided emissions, reduced costs through resource consumption efficiencies and productivity improvements from healthier working environments.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	991900000

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	AU	000000DXS1

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Requesting member
Pinsent Masons LLP

Scope of emissions
Scope 1

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
10.6

Uncertainty (±%)
2

Major sources of emissions
Direct emissions from Natural Gas and Diesel (stationary) fuel consumption as well as fugitive emissions from refrigerant gases as per reporting requirements under the NGER Act.

Verified
Yes

Allocation method
Allocation based on area

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Dexus has identified and reports on base building scope 1 emissions sources as part of its obligations under the Federal Government's National Greenhouse and Energy Reporting (NGER) Act.

Requesting member
Pinsent Masons LLP

Scope of emissions
Scope 2

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
60.5

Uncertainty (±%)
0

Major sources of emissions
Market-based emissions for Grid-purchased Electricity consumption prepared in accordance with the Greenhouse Gas Protocol – Scope 2 Guidance. The emissions reported are 'market-based' and includes reductions associated with the voluntary purchase of GreenPower.

Verified
Yes

Allocation method
Allocation based on area

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Dexus has identified and reports on base building ‘location-based’ scope 2 emissions sources as part of its obligations under the Federal Government's National Greenhouse and Energy Reporting (NGER) Act. It also reports on ‘market-based’ emissions as part of its voluntary disclosure in accordance with the Greenhouse Gas Protocol’s Scope 2 guidance. The emissions reported are 'market-based' and includes reductions associated with the voluntary purchase of GreenPower.

Requesting member
Pinsent Masons LLP

Scope of emissions
Scope 3

Allocation level
Company wide

Allocation level detail
<Not Applicable>

Emissions in metric tonnes of CO2e
11.2

Uncertainty (±%)
30

Major sources of emissions
Fuel-and-energy-related activities (not included in Scope 1 or 2) (i.e. emissions from energy transmission, distribution and transportation) and Waste generated in operations, and water & wastewater as calculated using National Greenhouse Accounts factors and methods.

Verified
Yes

Allocation method
Allocation based on area

Please explain how you have identified the GHG source, including major limitations to this process and assumptions made
Dexus has identified and reports on base building scope 3 emissions sources where data is readily available and in line with Dexus's ability to influence or control them. Emissions have been calculated based on methods set out in the Federal Government's National Greenhouse Accounts factors and methods workbook (August 2019). Dexus does not account for other scope 3 sources including travel for building occupants, nor building consumables. Dexus has been certified carbon neutral under the Climate Active Carbon Neutral Standard for its corporate operations (including tenancies and staff travel) and as such the Scope 3 emissions figure provided does not include any contribution of Dexus's own corporate emissions. Dexus has assumed a level of uncertainty based on the published level for uncertainty for Solid Waste to Landfill within the NGER Measurement Determination July 2019 (Part 8.3)

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

Dexus publishes group-level energy and emissions data, together with building NABERS ratings within the Environment section of its Sustainability Report, which can be found on the Dexus website at: www.dexus.com/2020-sustainability-report

Dexus's FY20 corporate energy and emissions inventory has received limited assurance from Pricewaterhouse Coopers. The criteria and assurance opinion can be found within the Dexus Sustainability report library at: https://www.dexus.com/investor-centre/results-and-reporting/sustainability-reports

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges
We face no challenges	Dexus allocates emissions based on occupied area (in square metres) to represent each tenant's use of common services (such as air conditioning, lights, lifts, etc) which are metered at a property level.

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?
Yes

SC1.4a

(SC1.4a) Describe how you plan to develop your capabilities.

Dexus has, and continues to, progress ways to gain a deeper insight into its energy and emissions. Dexus has established a centralised Environmental Reporting System for capturing and reporting environmental data at a property level including total occupied area. Direct energy use by customers within their tenancies is already separately metered either by an energy retailer or by Dexus (depending on site metering configuration). Dexus is collaborating with waste contractors to improve the accuracy of waste information. Dexus has installed weight-scales in loading docks so that waste can be weighed directly rather than relying on bin counts, estimated volumes and densities. Currently waste contractors measure waste at a property level and at a tenancy level for all Dexus-managed office properties. Dexus is looking to expand its waste reduction capabilities through incorporating circular economy principles into its waste reduction strategy. Dexus has partnered with a circular economy specialist consultant to continue to develop this strategy further. Comprehensively allocating base building energy use to customers (i.e. energy and emissions by tenancy) involves metering or allocating energy and emissions from many building systems against customer activity. This presents technical and logistical challenge which Dexus considers only within decision-making of new building management and metering systems.

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

No

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

No, I am not providing data

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below

I have read and accept the applicable Terms