



APN Industria REIT

Sustainability Report

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140 Sharps Road, Tullamarine, VIC

Key highlights



CARBON NEUTRAL

APN Industria REIT ("Industria") is one of the first A-REITs to be certified carbon neutral across its corporate activities and properties under its operational control, in accordance with the Climate Active standard. This means that the activities associated with assets under Industria's operational control have no net negative impact on the climate.



SOLAR INVESTMENT

Investments in onsite solar saved approximately 2.4 million kWh of electricity equating to over 2,399 tonnes of carbon emissions in FY21 from being released into the atmosphere, which is larger than the portfolio and operational footprint:

- Industria reached 2.5MW of installed capacity across its portfolio, generating more than double the energy consumed
- Additional solar installations are planning, taking capacity to 3.9 MW
- The buildings at Brisbane Technology Park have achieved 49% self-sufficiency during daylight hours



CONTINUING ASSESSMENTS

Continued to assess sustainability of the existing portfolio and review initiatives while considering ESG risks and opportunities to add value



GRIFFITH UNIVERSITY ALLIANCE

Continued membership on the Griffith University Net Zero Emissions Advisory Board, providing thought leadership and collaboration on best practice and innovation



ACQUIRED BY DEXUS

On 13 August 2021 Dexus acquired APN Property Group, Dexus is now the manager of Industria. As we move into FY22 we will work with Dexus, a recognised leader in sustainability and ESG, on the following key areas:

Environment

- Maintain Industria's carbon neutral certification with Climate Active, across its corporate activities and properties under its operational control. This is aligned to Dexus's net zero emissions target across its group managed portfolio, to be achieved by 30 June 2022
- Leverage the ongoing partnership with Griffith University to plan and evaluate ongoing sustainability initiatives

Social

- Leverage Dexus's social initiatives that have influenced our employees, tenants (customers), suppliers and communities in which we operate.

Governance

- The responsible entity of Industria has an Independent Chair and majority independent Board
- Comprehensive policies in place across all ESG aspects

Benchmarking



During FY21 Industria achieved carbon neutral certification with Climate Active for 13 assets under its operational control at Brisbane Technology Park. In addition, two properties at Rhodes Corporate Park (buildings A & C, 1 Homebush Bay) have been certified carbon neutral since 2017.



12 of Industria's properties have now received National Australian Built Environment Rating System (NABERS) Energy (average 4.5 star) and Water ratings (average 4.6 star). Since FY20, the NABERS ratings of nine of Industria's properties have either improved or remained stable. Six properties are now NABERS Water rated 4.0 stars or higher.

Message from the Fund Manager

During FY21 we continued to make progress towards minimising our impact on the environment and the community. One of our core principles – that we are defined by our actions, not words – was tested, with the impacts of the global COVID-19 pandemic disrupting our operations like never before. The team's determination and resilience throughout this time was critical and allowed us to continue to progress our sustainability plan and deliver on our key objectives.

In August 2020 APN Industria REIT (Industria) was the first A-REIT to commit to achieving a carbon neutral position for FY21. I am proud to confirm we delivered on this major achievement, with the Fund being one of the first A-REITs to achieve carbon neutral certification in accordance with the Climate Active Standard for our corporate operations and assets under our operational control. This means Industria's activities have no net negative impact on the climate.

Years of commitment and investment in the infrastructure and initiatives required to reduce and measure our emissions were successful in meeting the requirements of the Climate Active Carbon Neutral certification process.

The data required to achieve the Carbon Neutral certification from Climate Active has established a valuable benchmark to improve from, and further sustainability initiatives are already in the pipeline for rollout in FY22. This baseline will also be invaluable for assessing progress in future periods. The details and metrics relating to the certification are outlined within this report.

The safety and wellbeing of APN's employees, customers and the broader community was of paramount importance during the year. The need for increased hygiene and sanitation was immensely important within our assets to ensure the safety of our tenants (customers) and building users. This placed pressure on APN's employees and contractors, and their commitment played a key role in limiting the impact on our customers that could have been caused by COVID-19 outbreaks stemming from the workspaces we provide.

Our partnership with Griffith University expanded, providing additional workplace and research opportunities for its students to progress their careers. It also contributed towards their emission reductions targets through their Net Zero Emissions Advisory Group, which serves to share learnings, inform best practice and create innovation. Griffith University's ambition is to reduce emissions by 45-50% against a 2010 baseline target, and our lessons at Brisbane

Technology Park are relevant and valuable to progress their objectives – while also benefiting the environment and providing opportunities for us to participate in grass roots innovation.

On 13 August 2021 Dexus acquired APN Property Group. As a result, Dexus is now the manager of APN Industria REIT (Industria), and in October 2021 APN Industria REIT rebranded to Dexus Industria REIT. As we move into FY22 we will work with Dexus, a recognised leader in sustainability, to further progress Industria's ESG credentials.

Dexus is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$42.5 billion. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (ASX code: DXS). Dexus is committed to working with its customers to provide spaces that engage and inspire and has over 35 years of expertise in property investment, funds management, asset management and development, and has a proven track record in capital and risk management.

Dexus has a like-minded investment philosophy to APN Property Group and considers sustainability to be an integral part of the business with the objectives of Leading Cities, Future Enabled Customers, Strong Communities, Thriving People and an Enriched Environment supporting their overarching goal of Sustained Value and delivering superior risk-adjusted returns for investors. Dexus's sustainability disclosure is extensive, and can be found on their website: <https://www.dexus.com/investor-centre/results-and-reporting/sustainability-reports>

I am confident the change of management, and depth of knowledge and experience across the Dexus platform which includes over 550 people, will continue to drive the sustained performance of the Fund for many years to come, and help further progress our ESG credentials.

We have sought to be transparent and insightful throughout this report and look forward to continuing to progress our ESG agenda under the stewardship of Dexus.



We appreciate your continued support of Industria.

Yours sincerely,

Alex Abell

This report relates to the period FY21 unless otherwise stated.

About APN Industria REIT

APN Industria REIT (Industria) is an externally managed real estate investment trust managed by APN Property Group ('APN'). Industria was listed on the Australian Securities Exchange in 2013. As at 30 June 2021, the fund's portfolio had 39 industrial and business park assets valued at approximately \$1.1 billion. Industria does not have any employees, and engaged APN to deliver its investment strategy, which includes leasing, buying and selling properties, collecting rent, and undertaking accounting, compliance and investor relations services. As such, APN's sustainability policies and practices as they apply to Industria form the basis of this report.

This report relates to the period FY21.

Our Purpose

To create long term shareholder value by positively impacting people's lives through investing in real estate.

Our Values

Integrity

Honesty and integrity and putting our customers first is fundamentally important to us.

Respect

We deal with everyone we work with respectfully. We value true diversity – distinct from boxes and labels we appreciate the value of different experiences and perspectives.

Courage

We have the courage to call things out, to stand against the crowd and to take considered risks.

Humility

We appreciate humility in everything we do. We have our feet on the ground, and we value actions over words.

Results

We value hard work and focus on delivering great results with simplicity and common sense. We communicate regularly and transparently. We take ownership and we are accountable.

81 Rushdale Street, Knoxfield, VIC

Our commitment to sustainability

Industria's philosophy is to promote sustainable and responsible investments and to make meaningful contributions towards tackling climate change. Many of our initiatives are commercially sound while being considered within the broader context that many of our corporate stakeholders are placing increased emphasis on sustainable and ethical business practices.

Industria aspires to raise awareness and promote action on climate change within our sector. This extends to all our stakeholders including our employees, our institutional and retail investors, our customers, and the broader community in which we operate.

Industria is undertaking several key actions both within our corporate operations and across our investment portfolio to support our commitment towards addressing climate change.

Within our corporate operations, we are improving energy efficiency via installing automatic lighting systems to turn off in unoccupied spaces, purchasing energy efficient products and facilitating employee behaviour change programs on energy use and waste minimisation in the workplace. We are also minimising emissions via encouraging virtual meetings, minimising business travel, adopting flexible working practices as well as using electronic files to reduce paper consumption across the business.

Across our property portfolio, we encourage our customers to reduce their own emissions and investigate opportunities to promote energy efficiency beyond our emissions boundaries. We continue our collaboration with Griffith University on research into ESG initiatives.

Our portfolio

As at 30 June 2021, the Industria portfolio comprised 39 industrial and business park assets located in Brisbane, Sydney, Newcastle, Melbourne, and Adelaide. The boundaries determined for the portfolio and outlined below are in accordance with the Climate Active framework.

The Brisbane Technology Park (BTP) precinct is internally managed by APN and hence falls under APN's direct operational control through which data on electricity usage, transportation, refrigerants, and waste generation has been generated for this report. The two properties at Rhodes Corporate Park (1 A&C Homebush Bay Drive, Rhodes, NSW) are externally managed but are considered carbon neutral under the property managers carbon neutral certification process. Additional properties are listed where tenants are responsible for electricity and waste. Refer to the portfolio table and graphic for further definition of data reporting for each asset.



- SOLAR PV INVESTMENT**
- SOLAR PV INVESTMENT PLANNED**
- NABERS ENERGY RATED**
- NABERS WATER RATED**
- LED UPGRADES**

BRISBANE

Industrial

60 Grindle Road, Wacol
16-28 Quarry Road, Stapylton

Office

18 Brandl Street, Eight Mile Plains
37 Brandl Street, Eight Mile Plains
88 Brandl Street, Eight Mile Plains
7 Clunies Ross Court, Eight Mile Plains
8 Clunies Ross Court, Eight Mile Plains
12 Electronics Street, Eight Mile Plains
24-26 HiTech Court, Eight Mile Plains
17-19 McKechnie Drive, Eight Mile Plains
33 McKechnie Drive, Eight Mile Plains
51 McKechnie Drive, Eight Mile Plains
9 McKechnie Drive, Eight Mile Plains

Vacant Land

45 & 45B, BTP Central, Eight Mile Plains

Other

BTP Central Multi Level C, Eight Mile Plains

SYDNEY

Industrial

1-3 Westrac Drive, Tomago

Office

1C Homebush Bay Drive, Rhodes
1A Homebush Bay Drive, Rhodes

ADELAIDE

Industrial

18-20 Butler Boulevard, Adelaide Airport
20-22 Butler Boulevard, Adelaide Airport
5 Butler Boulevard, Adelaide Airport
5b Butler Boulevard, Adelaide Airport

MELBOURNE

Industrial

34 Australis Drive, Derrimut
147-153 Canterbury Road, Kilsyth
350 Cooper Street, Epping
356 Cooper Street, Epping
3 Forbes Close, Knoxfield
4 Forbes Close, Knoxfield
78 Henderson Road, Rowville
10 Jersey Way, Epping
32-40 Garden Street, Kilsyth
45-55 O'Briens Road, Corio
13 Ricky Way, Epping
81 Rushdale Street, Knoxfield
140 Sharps Road, Tullamarine
80 & 96 South Park Drive, Dandenong South
89 West Park Drive, Derrimut
1 West Park Drive, Derrimut
57-67 Mark Anthony Drive, Dandenong
137 - 147 Fitzgerald Road, Laverton North

Portfolio control and boundary matrix

Property	Asset Type	Operational Control	Emissions Boundary	Ownership of Electricity Account	Electricity		Transport Fuel	Refrigerant Gas	Waste Generation
					Common Area	Tenant			
BTP¹									
10 Brandl Street ⁴	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
18 Brandl Street	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
37 Brandl Street	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
7 Clunies Ross Court	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
17-19 McKechnie Drive	Office	APN	Yes	Tenant	No	No	No	Yes	Yes
8 Clunies Ross Court	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
9 McKechnie Drive	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
88 Brandl Street	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
24-26 HiTech Court	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
33 McKechnie Drive	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
12 Electronics Street	Office	APN	Yes	APN	Yes	No	Yes	Yes	Yes
51 McKechnie Drive	Office	APN	Yes	Tenant	No	No	No	Yes	Yes
BTP Central Multi Level Carpark	Other	APN	Yes	APN	Yes	No	Yes	Yes	Yes
Rhodes²									
Rhodes A	Office	External Manager	No	Property Manager	No	No	No	No	No
Rhodes C	Office	External Manager	No	Property Manager	No	No	No	No	No

Property	Asset Type	Operational Control	Emissions Boundary	Ownership of Electricity Account	Electricity		Transport Fuel	Refrigerant Gas	Waste Generation
					Common Area	Tenant			
Industrial³									
1-3 Westrac Drive	Industrial	External Manager	No	Tenant	No	No	No	No	No
1 West Park Drive	Industrial	External Manager	No	Tenant	No	No	No	No	No
13 Ricky Way	Industrial	External Manager	No	Tenant	No	No	No	No	No
10 Jersey Way	Industrial	External Manager	No	Tenant	No	No	No	No	No
140 Sharps Road	Industrial	External Manager	No	Tenant	No	No	No	No	No
147-153 Canterbury Road	Industrial	APN	No	Tenant	No	No	No	No	No
3 Forbes Close	Industrial	APN	No	Tenant	No	No	No	No	No
4 Forbes Close	Industrial	APN	No	Tenant	No	No	No	No	No
32-40 Garden Street	Industrial	APN	No	Tenant	No	No	No	No	No
34 Australis Drive	Industrial	External Manager	No	Tenant	No	No	No	No	No
350 Cooper Street	Industrial	APN	No	Tenant	No	No	No	No	No
356 Cooper Street	Industrial	APN	No	Tenant	No	No	No	No	No
80 & 96 South Park Drive	Industrial	External Manager	No	Tenant	No	No	No	No	No
81 Rushdale Street	Industrial	APN	No	Tenant	No	No	No	No	No
89 West Park Drive	Industrial	External Manager	No	Tenant	No	No	No	No	No
45-55 O'Briens Road	Industrial	APN	No	Tenant	No	No	No	No	No
57-67 Mark Anthony Drive	Industrial	APN	No	Tenant	No	No	No	No	No
137-147 Fitzgerald Road	Industrial	APN	No	Tenant	No	No	No	No	No
78 Henderson Road	Industrial	External Manager	No	Tenant	No	No	No	No	No
5 Butler Boulevard	Industrial	External Manager	No	Airport	No	No	No	No	No
5b Butler Boulevard	Industrial	External Manager	No	Airport	No	No	No	No	No
18-20 Butler Boulevard	Industrial	External Manager	No	Airport	No	No	No	No	No
20-22 Butler Boulevard	Industrial	External Manager	No	Airport	No	No	No	No	No
60 Grindle Road	Industrial	APN	No	Tenant	No	No	No	No	No
16-28 Quarry Road	Industrial	APN	No	Tenant	No	No	No	No	No

1 Precinct is internally managed by APN and falls under APN's direct operational control

2 Assets are externally managed, providing both property management and facilities management. Assets are carbon neutral as part of the external managers carbon neutral certification process.

3 Tenants are responsible for electricity and waste

4 Asset has been sold and settled in September 2021

Our commitment to the Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) articulate the world's most pressing sustainability issues. The SDGs aim to achieve economic growth without compromising the environment or placing unfair burdens on societies. Businesses play a key role in achieving the SDGs as sources of technological and economic growth and through employment.

Nine SDGs that are relevant to APN and our commitments, policies and actions and demonstrate our commitment and progress to each goal are detailed in this section.

81 Rushdale Street, Knoxfield, VIC

We are committed to

Our policies and actions

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- Providing a safe and healthy workplace for our employees

- APN Code of Conduct
- Incident reporting

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- Creating a workplace culture that values and supports diversity, inclusion and flexibility
- Ensuring there is no unconscious gender pay inequality
- Promoting based on merit, performance and capability
- Supporting families by providing paid parental leave

- APN Diversity and Inclusion Policy
- APN Code of Conduct

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- Emissions reduction
- Carbon neutrality
- Renewable energy
- Energy efficiency

- Upgraded lighting to LED
- Savings from solar generation
- New solar installations planned for FY22
- Certified carbon neutral

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- Growing the performance of our buildings through the NABERS rating system
- Promoting a workplace culture that values and supports diversity, inclusion and flexibility
- Addressing risks related to modern slavery

- 12 properties are NABERS rated
- APN Diversity and Inclusion policy
- Completed Modern Slavery surveys at Brisbane Technology Park

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- Creating and supporting infrastructure for active travel
- Research and development
- Increasing our renewable energy capacity

- Construction of end of trip facilities
- Collaboration with Griffith University
- New solar installations planned for FY22

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- Creating and supporting infrastructure for active travel

- Construction of end of trip facilities

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- Improving energy efficiency
- Reducing GHG emissions
- Improving water usage efficiency

- Upgraded lighting to LED
- New solar installations planned for FY22
- NABERS rating
- Upgraded air conditioning systems
- Water saving practices

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- Progressing our emissions reduction strategy
- Offsetting our remaining emissions

- Climate Active Public Disclosure Statement
- 2,178 tonnes of CO₂e were offset this financial year

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- Protecting biodiversity through carbon offsetting programs

- Offsetting through the Katingan Mentaya and Yarra Yarra Biodiversity Corridor

SDG 3. Good health and well-being

Health and safety

APN has a Health and Safety Policy in place and is making conscious efforts to create healthy and safe workplaces by promoting a workplace culture that values and supports diversity, inclusion, and flexibility. We are committed to providing a safe and healthy workplace for our workers (including employees, contractors, sub-contractors and consultants) and visitors. We place responsibility on all APN team members to escalate potential safety risks before an incident arises. For the period FY21, there were zero injuries, zero near-misses, and a zero lost-time injury frequency rate.

At APN, everyone, including people with disabilities, have fair and equal opportunities in employment, training, and advancement, no matter when the disability was suffered – prior to, or after the person commences employment with the company (source Work Health and Safety Policy).



Good health and well-being

Ensure healthy lives and promote well-being for all at all ages

Target 3.8

Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Worker remuneration

APN's Diversity and Inclusion Policy outlines worker remuneration, pay and bonuses, which are assessed on individual performance and based on market guidance to ensure there is no unconscious gender pay inequality. Reviews of performance against agreed objectives are conducted annually to open a two-way conversation between employees and managers. APN encourages APN employees to have regular catchups with their Manager to ensure matters are dealt with promptly and not left to formal review periods.



140 Sharps Road, Tullamarine, VIC

SDG 5. Gender equality

Gender equality

APN is addressing gender inequalities by making conscious efforts to increase the diversity in its workplace at all levels of the organisation, including in gender equality and other diversity characteristics. The current gender composition of APN employees is relatively even however composition is skewed towards males in the managerial and board groups.

Inclusion

APN aims to create an inclusive workplace culture through providing all employees with opportunities to express their points of view in a constructive manner. All APN employees, regardless of seniority are responsible for conducting themselves in a professional and non-discriminatory way (APN Diversity and Inclusion policy).

5 GENDER
EQUALITY



Gender equality

Achieve gender equality and empower all women and girls

Target 5.1

End all forms of discrimination against all women and girls everywhere

Target 5.4

Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.

Gender diversity makeup within APN management teams and company-wide, showing direction of change from FY20:

	Men	Women	Movement from FY20
Board of APN Property Group Limited	80%	20%	No change
Board of APN Funds Management Limited	75%	25%	No change
Board of Industria Company No. 1 Limited	80%	20%	No change
Senior Management of the APN Group	71%	29%	No change
All employees of the APN Group	55%	45%	↓ (from 51% women)

*Senior Management is characterised in terms of reporting hierarchy to the CEO and is defined as a manager having a direct reporting line to the CEO (i.e. CEO-1). It also includes the CEO role itself.

Social protection

APN provides up to eight weeks of paid parental leave to the primary carer and two weeks paid leave to the secondary carer. APN also provide flexible work arrangements to balance family and work commitments on a case-by-case basis regardless of gender or other characteristics (APN Diversity and Inclusion Policy).



78 Henderson Road, Rowville, VIC

SDG 7. Affordable and clean energy

Emissions reduction and energy efficiency

Industria not only seeks to improve efficiency through implementation of control systems across offices by choosing energy efficient products and undertaking behaviour campaigns, but also strives to avoid emissions by promoting online meetings, allowing employees to work from home when appropriate, encouraging employees to actively travel to work and promoting online filing to reduce paper consumption (Climate Active Public Disclosure Statement). Industria is always looking for new opportunities to improve energy efficiency through installations of new solar systems, LED lights, and batteries (Climate Active Public Disclosure Statement).

Across the portfolio, Industria is encouraging customers to collaborate on the sustainability journey by promoting the installation of light sensors and the operation, when possible, of their energy intensive appliances on sunny days so that they benefit from solar PV. This is important because customers can meaningfully impact current and future emissions through their operational and day to day activities, and also through their behaviours and maintenance regimes.

7 AFFORDABLE AND
CLEAN ENERGY



Affordable and clean energy

**Ensure access to affordable, reliable,
sustainable and modern energy for all**

Target 7.2

By 2030, increase substantially the share of renewable energy in the global energy mix

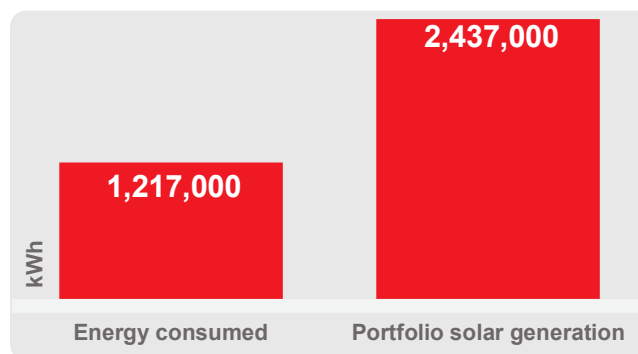
Target 7.3

By 2030, double the global rate of improvement in energy efficiency

Our progress

Across the portfolio, direct investment in solar PV installations generated over 2.4 million kWh, almost double the amount of energy consumed (1.2 million kWh). Solar PV installations at Brisbane Technology Park (BTP) generate, on average, half (49%) of the energy required during daylight hours of 7am to 8pm for these properties (calculated over 10 months July 2020-April 2021). These solar systems saved Industria from emitting over 1,068 t CO₂e during FY21 which is equivalent to the emissions from more than 203 cars per year or the electricity usage of almost 170 households. The system at 88 Brandl Street, Eight Mile Plains, QLD, generated 255,762 kWh in FY21 making it the most self-sufficient property with approximately half of its total energy consumption generated by solar power.

Energy consumption and generation



In addition to contributing to the self-sufficiency of the buildings, surplus solar energy generated at BTP is feeding back into the local power grid. An average of 84% of solar energy is consumed at BTP properties, and the remainder contributes to savings for the southeast-Queensland metro grid (calculated over 10 months data July 2020-April 2021).

1 – 3 Westrac Drive, Tomago, NSW

Additional solar PV systems were installed at 81 Rushdale Street, Knoxfield, VIC (632 kW system). Further solar PV systems are proposed for installation at the Adelaide Airport asset (1,145 kW system) which is projected to generate 1,017,819kWh of solar energy, avoiding 519.09 t CO₂e in year one. Additional projects are anticipated across the portfolio, subject to approvals from regulators and where necessary, customers.

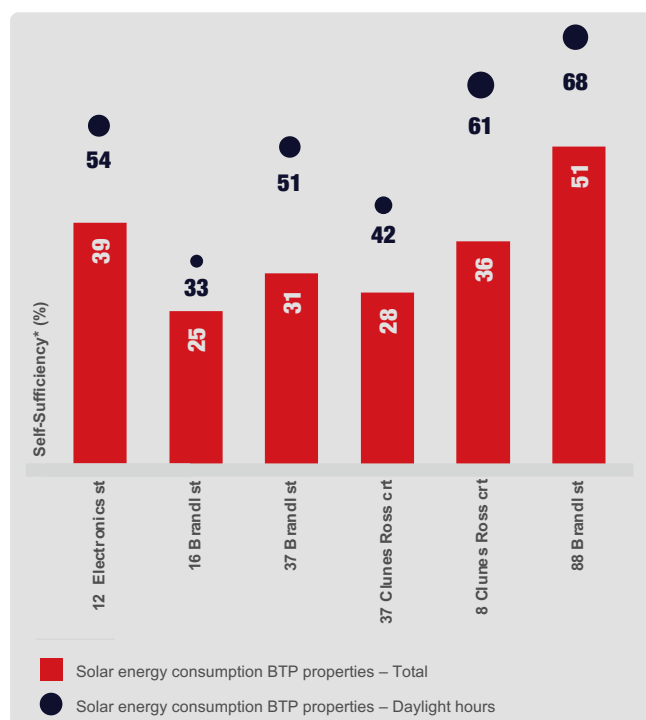
Greenhouse gas equivalency in FY21

Property	kWh consumption	CO ₂ e (Tonnes)*	Passenger vehicles driven for one year**	Homes' electricity use for one year**
12 Electronics St, Eight Mile Plains	131,610	106.6	20.3	16.9
18 Brandl St, Eight Mile Plains	123,459	100.0	19	15.9
37 Brandl St, Eight Mile Plains	235,401	190.7	36.3	30.3
7 Clunies Crt, Eight Mile Plains	309,885	251.0	47.8	39.9
8 Clunies Crt & 9 McKechnie Dv, Eight Mile Plains	263,350	213.4	40.6	33.9
88 Brandl St, Eight Mile Plains	255,762	207.2	39.4	32.9
Total	1,319,467	1,068.8	203.4	169.8

*According to National Greenhouse Accounts Factors (2020)

**According to Greenhouse Gas Equivalencies calculator

Annual self-sufficiency for properties at BTP



*Summaries calculated using data for June 2020-April 2021

BTP SOLAR SAVINGS

Emissions reduction and equivalents



1.3 MILLION KWH GENERATED

A total of 1,319,467 kWh generated from solar PV systems, installed by BTP properties



>1,000 TONNES SAVED

Solar PV installed at BTP has saved 1,068.8 tonnes of CO₂ emissions



SAVED EMISSIONS FROM 203 CARS

Emissions savings from solar generation at BTP is equivalent to the annual emissions from 203 passenger vehicles



SAVED EMISSIONS FROM 170 HOMES

Emissions savings from solar generation at BTP is equivalent to the annual emissions from electricity usage at 170 average households



SOLAR SELF SUFFICIENCY

Solar PV installed at BTP resulted in energy self sufficiency of 49% during daylight hours



1 West Park Drive, Derrimut, VIC



Carbon neutrality

For FY21, Industria committed to offsetting 2,178 t CO₂e which are emissions incurred at sites where they have operational control. By offsetting this amount, Industria has achieved carbon neutrality and is certified by Climate Active for both FY20 and FY21. Ongoing reporting and offsetting will allow Industria to remain carbon neutral. Projects where Industria invested in carbon offsets (offsets) this year are the Katingan Mentaya project (further detail available in SDG15 section), the Mwac Kamuthi Solar Power project, and the Abuja Clean Cookstoves Project.

The offsets were acquired due to the emissions created by Industria's assets that are beyond areas of operational control, as defined by Climate Active.

Victorian Energy Efficiency Certificates (VEECs)

Following the installation of 632 kW solar PV system at 81 Rushdale Street, Knoxfield, VIC in 2020, Industria has applied for Victorian Energy Efficiency Certificates (VEECs). It is expected that this solar PV system will help to avoid emissions of 4,200 tonnes of CO₂e over a 10-year period. The fund has led the market with VEECs and is the first company to apply for VEECs for a large scale PV solar system.

SDG 8. Decent work and economic growth

The Industria portfolio has 39 industrial and business park assets located in Sydney, Melbourne, Newcastle, Brisbane, and Adelaide. The assets comprise a mix of new and mature buildings and have a weighted average lease expiry of 5.4 years. The total value of the portfolio is \$1.1 billion, which reflects a weighted average capitalisation rate of 5.8% with significant contributions to economic health and productivity of cities.

APN is addressing gender inequalities by making conscious efforts to increase the diversity in its workplace at all levels of the organisation, including in gender equality and other diversity characteristics.

Industria is remaining accountable for the efficiency of its buildings through reporting in the NABERS framework. The average NABERS Energy rating across the portfolio is 4.5 stars, up from 3.9 stars in FY20, with 9 properties having improved their energy rating from the previous period. Six properties are now NABERS Water rated at 4.0 stars or higher.

Modern slavery

While Industria's activities are not captured by the Modern Slavery Act 2018, we have proactively surveyed our contractors at Brisbane Technology Park, where we have operational control, to identify and mitigate social risks. Key findings from this survey include:

- All service providers have internal policies and processes to identify, investigate, and remedy the risks and instances of modern slavery.
- Three out of four (75%) companies have a person or team responsible for overseeing modern slavery risks that arise in relation to the goods or services they deliver.
- Staff of three out of four (75%) companies trained to identify, assess, and respond to modern slavery risks.
- Three out of four participants (75%) said that they have very limited or no visibility of their supply chain below Tier One level, with one reporting a moderate level of visibility.



Decent work and economic growth

Promote sustained, inclusive and sustainable economic growth, full and protective employment and decent work for all

8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value



All service providers have internal policies to address modern slavery



Team or individual responsible for assessing modern slavery risks



Training of staff in identifying, assessing and responding to modern slavery

SDG 9. Industry, innovation and infrastructure

Efficiency and capability

Industria is committed to continually improving the efficiency and capability of its property portfolio. Work was undertaken across the portfolio during the year to upgrade lighting with energy efficient LEDs and the installation of automatic sensors to reduce the energy consumption. Products including white goods, computer monitors and air conditioning systems are being replaced by more efficient products where necessary, whilst being mindful of the trade-off between contributions to landfill and the balance with lower emissions.

Case study – Solar PV installations at Adelaide Airport

After the recent acquisition of an industrial asset at 5 Butler Boulevard, Adelaide Airport, SA, planning commenced to install a potential 1,145 kW solar PV system in FY22. Based on the predicted yield of the proposed systems, we estimate that this installation will result in the reduction of approximately 438 tonnes of CO₂e per year (according to National Greenhouse Account Factors, 2020). This installation is awaiting regulatory approvals before proceeding.

Research collaborations

Industria has been collaborating with Griffith University on a variety of innovation and research projects, including initiatives to reduce heat loads on the windows at Brisbane Technology Park. Heat loads on glazing is a major issue in the built environment, and technology advancement and innovation in this area has the potential to have widespread benefits for not just Industria's assets, but all buildings. Reducing the impact of heat loads would improve building and air conditioning performance, decreasing GHG emissions, whilst allowing tenants the ability to continue to enjoy the natural light and vistas offered by windows.

Industria Fund Manager, Alex Abell, also sits on the Griffith University Zero Net Emissions advisory board, providing guidance and feedback relating to emissions reduction and corporate governance.



Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Target 9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

Target 9.4

By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities

Target 9.5

Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people



88 Brändl, Brisbane Technology Park, QLD

SDG 11. Sustainable cities and communities

Improving on-site amenity

In FY20, a new end of trip facility was built at Brisbane Technology Park. The offering includes extensive bike storage space, changing areas, toilets and showers. The facilities are beyond what is required on site today, to future proof the asset for an anticipated increase in demand for this amenity as customers continue to strive for work-life balance through cycling to work and exercising during the day. The facility was further refined in FY21 to include the installation of access monitoring systems to collate information regarding the level of usage.



At Rhodes Corporate Park, the end of trip facilities for both of Industria's buildings were upgraded and expanded to improve the offering and increase capacity. This improved amenity will encourage customers to consider active transport to and from work or to be more active during the day.

11 SUSTAINABLE CITIES AND COMMUNITIES



Sustainable cities and communities

Make cities and human settlements inclusive, safe and sustainable

Target 11.2

By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

Accessible transport system

A portion of Industria's property portfolio is situated in Brisbane Technology Park. This commercial hub is conveniently located on Brisbane's southside with easy access to arterial motorways, the metro bus network, and bikeways. The Rhodes Corporate Park in NSW is similarly located for convenient access.



SDG 12. Responsible consumption and production

Greenhouse Gas Emissions

The Greenhouse Gas (GHG) emissions accounted from properties under Industria's operational control, according to the climate active certification, total 2,178 tonnes of CO₂e. The largest proportions of this are from electricity use and disposal of general waste.

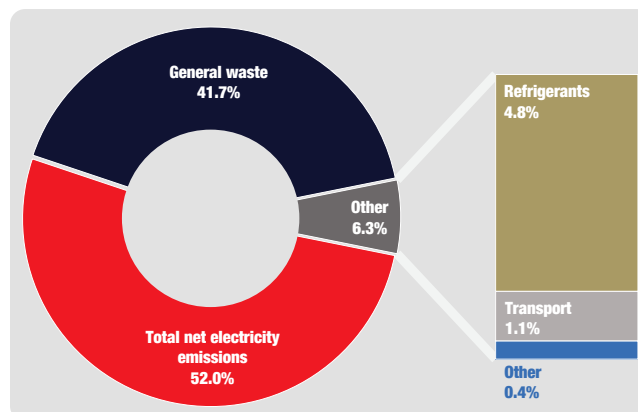
Energy and water efficiency



The National Australian Built Environment Rating System (NABERS) is a simple and comparable measure of building sustainability used across building sectors and is an effective tool for measuring, understanding and communicating environmental performance of buildings. Ratings range from one to six stars for efficiency across energy, water, waste, and indoor environment, which are valid for 12 months. (<https://www.nabers.gov.au/about/what-nabers>)

APN is remaining accountable for the efficiency of their buildings through reporting in the NABERS framework. The average NABERS Energy rating across the portfolio is 4.5 stars, up from 4.0 stars in FY20, with 9 assets having maintained or improved their energy rating from the previous period. Six properties are now NABERS Water rated with 4.0 stars or higher.

Composition of Industria emissions



*Other relates to Food and catering, office related expenses, real estate services. Transport also includes accommodation.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Responsible consumption and production

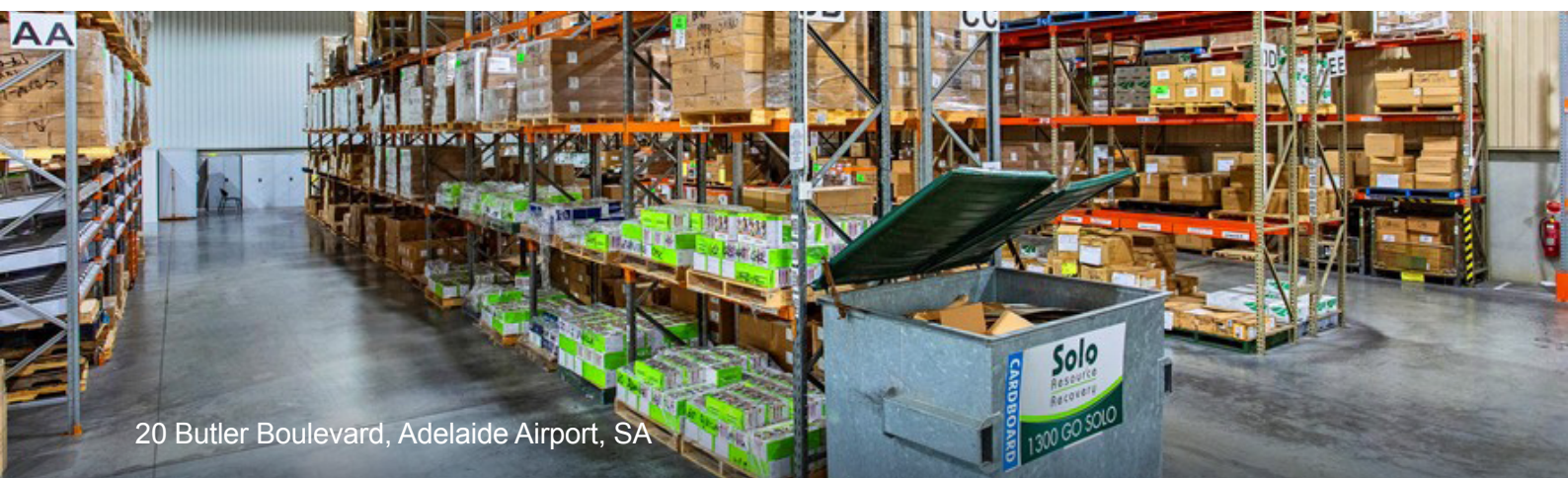
Ensure sustainable consumption and production patterns

Target 12.4

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil to minimize their adverse impacts on human health and the environment

Target 12.5

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse



20 Butler Boulevard, Adelaide Airport, SA

NABERS Energy and Water ratings

Property	NABERS Energy rating (stars)	Change from FY20 rating	NABERS Water rating (stars)
Brisbane Technology Park – QLD			
7 Clunies Ross Court	5.0	↑ (up 1.5)	NA
17-19 McKechnie Drive	5.0	NA	NA
33 McKechnie Drive	2.0	↑ (up 1.0)	NA
12 Electronics Street	5.5	=	5.0
51 McKechnie Drive	5.0	↓ (down 0.5)	5.0
8 Clunies Ross Court & 9 McKechnie Drive	5.0	↑ (up 0.5)	NA
10 Brandl Street	2.0	↑ (up 0.5)	4.5
37 Brandl Street	4.0	↓ (down 0.5)	NA
18 Brandl Street	4.5	↑ (up 1.5)	5.0
88 Brandl Street	5.5	=	NA
Rhodes Corporate Park – NSW			
1A Homebush Bay Drive	5.0	=	4.0
1C Homebush Bay Drive	5.0	↑ (up 0.5)	4.0
Portfolio average	4.5	↑ (up 0.1)	4.6



SDG 13. Climate action

Emissions reduction strategy

APN is committed to being a leader in the property management space when it comes to climate action. We endeavour to reduce our total carbon footprint by improving efficiency and avoiding emissions at our properties. Efficiency procedures we have implemented include:

1. Implementing control systems across offices to ensure that lights and devices automatically switch off when unoccupied.
2. Transitioning to energy efficient products in our offices (e.g. lights, white goods, computer monitors, etc.).
3. Undertaking behaviour campaigns to educate employees about reducing energy use and waste production in the office and when working from home.

We are also avoiding emissions by:

1. Promoting the use of videoconferencing to reduce reliance on in-person meetings, which helps to reduce air travel and other business travel related emissions.
2. Allowing flexible working to allow employees to work from home or other locations which reduces their travel needs.
3. Encouraging and incentivising employees to commute to work using active transport (e.g. cycling).
4. Ensuring end-of-trip facilities at offices are accessible for all employees.
5. Promoting the use of online filing and use of electronic files to reduce paper consumption across the business.



Climate action

Take urgent action to combat climate change and its impacts

Target 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Carbon offsets

Offset reporting for Climate Active certification requires Industria to identify an emissions boundary. This boundary includes 11 properties where Industria has operational control over common area electricity, refrigerants, waste, water and transport fuel, and 2 properties where Industria has operational control over refrigerants, waste and wastewater. In FY21, Industria committed to offsetting 2,178 t CO₂e by investing in several offsetting projects. Two of these projects are focused on improving energy consumption and production practices through the development of a 216MW solar system in Tamil Nadu, India, and the manufacturing and distribution of fuel-efficient stoves to communities in Abuja, Nigeria. These projects will reduce reliance on fossil fuels, provide employment opportunities to the local community and help families and companies reduce their emissions. Further detail is provided in SDG15.





Brisbane Technology Park, QLD

SDG 15. Life on land

To balance its carbon footprint, Industria invests in various offset schemes, including those that support native habitats and biodiversity. The Yarra Yarra Biodiversity Corridor is a native reforestation initiative located in Southwest Australia, to restore degraded, semi-arid agricultural land that no longer supports viable farming practices by planting native tree and shrub species indigenous to the region to provide essential habitat and connectivity for birds and animals including endangered species such as the Mallee Fowl and Carnaby's Black Cockatoo. In addition, Industria supports the Katingan Mentaya project in Indonesia. The project is the largest of its kind and generates an average 7.5 million triple gold certified carbon credits annually; equivalent to taking 2,000,000 cars off the road each year. The project protects vital peatland habitats for five Critically Endangered, eight Endangered and 31 Vulnerable species. It is considered to be a biodiversity hotspot, estimated to be home to around 5-10% of the last remaining Bornean Orangutans, Southern Bornean Gibbons and Proboscis Monkeys.



Life on land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Target 15.1

By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

Target 15.B

Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation



13 Ricky Way, Epping, VIC

Case study – Katingan Mentaya Project

Katingan Mentaya project protects almost 150,000 ha of globally significant peatland habitat in Central Kalimantan, Indonesia which is home to over 40 critically endangered and vulnerable species, including the Bornean Orangutan, Proboscis Monkey and Southern Bornean Gibbon. This large-scale project, beginning in 2010, is expected to provide greenhouse gas emission benefits for 60 years by storing carbon in soils and vegetation, while providing benefits for water quality, soil nutrients, habitat for biodiversity, and reducing fire threat. Additionally, the local community in Kalimantan receives benefits through employment and economic opportunities, more stable and clean water supplies, and increased capacity to cope with socio-ecological risks. The Katingan Mentaya project has achieved gold standard certification for climate, community, and biodiversity standards.



Case study – Yarra Yarra Biodiversity Corridor

Industria invested in the Yarra Yarra Biodiversity Corridor project to offset a portion of their carbon emissions through Carbon Neutral. This project, initiated in 2008, has restored over 13,000 ha of agricultural land in the northern wheatbelt of Southwest Australia by planting more than 30 million native Australian trees. The Southwest region of Australia is recognised as one of 35 global biodiversity hotspots. Through the planting of indigenous trees and shrubs, the Yarra Yarra project aims to restore a corridor which connects coastal and inland habitats, while creating over 200 jobs, boosting the local economy, and is expected to sequester approximately 1 million tonnes of CO₂e. The Yarra Yarra Biodiversity Corridor is the largest biodiverse reforestation carbon sink in Australia and is the first project in Australia to receive a premium gold standard certification. <https://carbonneutral.com.au/yarra-yarra-biodiversity-corridor/>



Looking forward under Dexus management

Looking forward, Industria will incorporate the Dexus Sustainability Approach to support the creation of sustained value through the integration of material ESG issues into the Industria business model.

Industria is working alongside Dexus to leverage the relevant goals and initiatives aligned to these objectives. Industria will focus on environmental initiatives that:

- maintain Industria's carbon neutral certification with Climate Active, across its corporate activities and properties under its operational control. This is aligned to Dexus's net zero emissions target across its group managed portfolio, to be achieved by 30 June 2022
- increase on-site and offsite renewables and continue to improve the monitoring of energy and water consumption
- use building information modeling to better manage and monitor assets and information requirements
- leverage the ongoing partnership with Griffith University to plan and evaluate ongoing sustainability initiatives

Aligning with global goals

As a signatory to the UN Global Compact (UNGC), Dexus is committed to upholding the UNGC's ten principles and to also supporting broader UN objectives such as the Sustainable Development Goals (SDGs).

Dexus adopts a refined approach to SDG reporting and has identified specific targets under each of the Goals to drive more targeted reporting. This was informed by the SASB Real Estate Sustainability Accounting Standards, which specify ESG topics considered to be material for real estate. Dexus reports against four priority SDGs that align closely with its core business activities – as defined by the Dexus Sustainability Approach – rather than broader corporate alignment. This targeted approach enables Dexus to have a positive influence through its core business activities.

Dexus Sustainability Approach



The Dexus Sustainability Approach incorporates the Principles for Responsible Investment (PRI) 'six principles' relating to responsible investment and active property management. It is the lens that is used to effectively manage current and emerging ESG risks and opportunities and create long-term value. It incorporates five objectives which collectively direct the focus towards addressing the issues considered to be most material for all stakeholders. These objectives include:



Sustained Value

Delivering superior long-term performance, underpinned by integrating ESG issues into the Industria business model



Leading Cities

Building a high-quality portfolio that contributes to economic prosperity and supports sustainable urban development across Australia's key cities.



Thriving People

Creating an engaged, capable and high-performing workforce that delivers on our strategy and supports the creation of sustained value



Future Enabled Customers and Strong Communities

Creating a strong network of value chain partners (customers, communities and suppliers) who support Dexus and are positively impacted by Dexus



Enriched Environment

Creating an efficient and resilient portfolio that minimises our environmental footprint and is positioned to thrive in a climate-affected future

