

The background of the cover is a photograph of a modern office building's interior. It features a large, curved wooden balcony with glass railings and hanging green plants. Below the balcony, people are sitting at a long wooden table with yellow chairs, working on laptops. A man in a grey blazer is standing on the right, talking on a phone. The building has a glass facade that reflects the sky and other buildings. A white diagonal line and a green chevron graphic are overlaid on the image.

dexus

Sustainability Report 2021

Creating spaces
where people thrive

Sustainability Report 2021

Our Sustainability Report describes how we create long-term value through addressing the environmental, social and governance issues that matter most to us and our stakeholders.

About Dexus

Dexus is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$42.5 billion. Dexu is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 30,000 investors from 23 countries.

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.

With over 35 years of expertise in property investment, funds management, asset management and development, we have a proven track record in capital and risk management, and delivering superior risk-adjusted returns for investors.

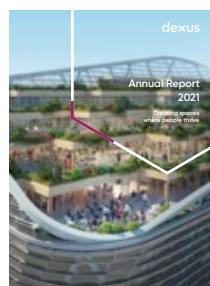
We invest only in Australia, and directly own \$17.5 billion office, industrial and healthcare properties and investments. We manage a further \$25.0 billion of office, retail, industrial and healthcare properties in our funds management business which provides wholesale investors with exposure to quality sector specific and diversified real estate investment products. The funds within this business have a strong track record of delivering outperformance and benefit from Dexu's capabilities. The group's \$14.6 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.

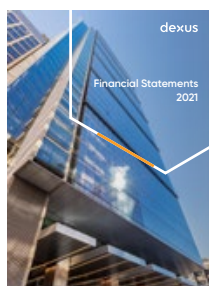
Annual Reporting Suite

Dexus presents its Annual Reporting Suite for the year ended 30 June 2021 available at www.dexus.com/investor-centre

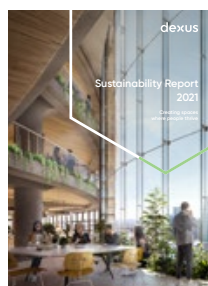
The 2021 Annual Reporting Suite is available in hard copy by email request to ir@dexus.com or by calling +61 1800 819 675.



Annual Report 2021



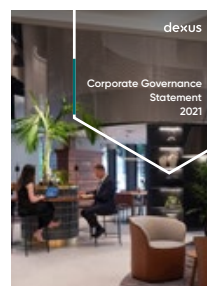
Financial Statements 2021



Sustainability Report 2021



Annual Results Presentation 2021



Corporate Governance Statement 2021



Modern Slavery Statement 2021

Sustainability Performance Pack

Sustainability reporting that supports the results outlined in the 2021 Annual Report.

→ Page 2

Sustainability Data Appendix

Comprehensive datasets for a range of environmental, social and governance indicators.

→ Page 66

Sustainability Approach and Procedures

The policies, procedures and practices that underpin our sustainability approach.

→ Page 108

GRI Content Index

Content index supporting the alignment of the 2021 Annual Reporting Suite with the GRI Standards.

→ Page 173

Sustainability Assurance Statement

Documents on the assurance over select environmental and social data.

→ Page 199

Sustainability Performance Pack

The Sustainability Performance Pack describes how we have applied the Dexus Sustainability Approach to create value for our stakeholders in FY21.

Sustainability at Dexus

An overview of our sustainability approach, materiality approach and alignment with global goals.

→ Page 4



Sustained Value

Delivering superior long-term performance for our investors and third party capital partners, underpinned by integrating environmental, social and governance issues into our business model.

→ Page 10



Leading Cities

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

→ Page 16



Thriving People

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

→ Page 24



Future Enabled Customers and Strong Communities

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

→ Page 34



Enriched Environment

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

→ Page 52

Sustainability at Dexus

Dexus's sustainability reporting describes our application of the Dexus Sustainability Approach from 1 July 2020 through to 30 June 2021.

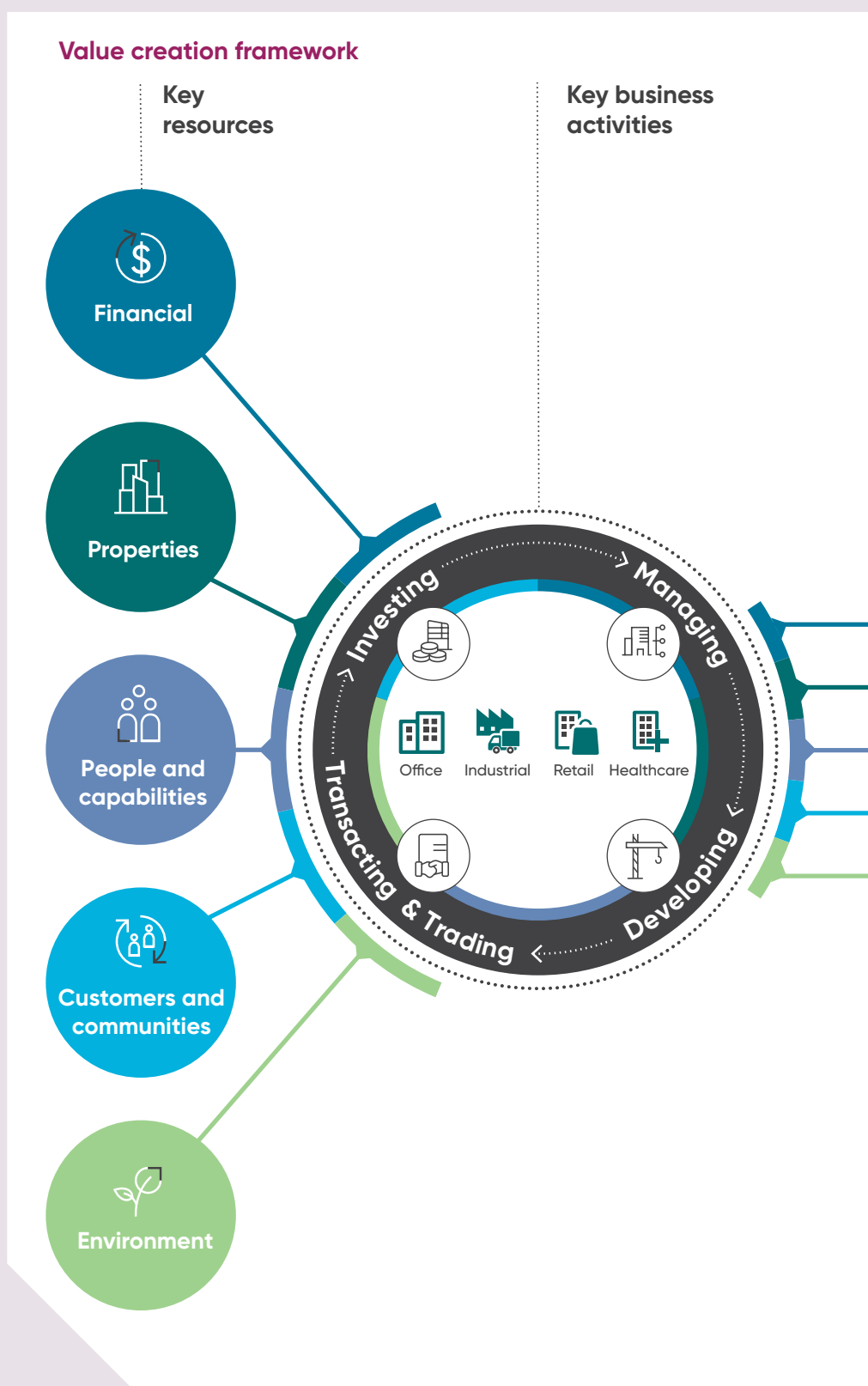
The Dexus Sustainability Approach informs how we create long-term value through understanding and addressing environmental, social and governance (ESG) issues that are relevant to our operations.

A strong approach to sustainability (used interchangeably with "ESG" throughout Dexus reporting) can underpin long-term outperformance, while a weak approach can erode value or cause reputational damage through increased exposures to ESG risks or an inability to effectively respond to change.

In recognition of the importance of sustainability for our business, we publish an integrated reporting suite at the end of each financial year that is aligned with the International Integrated Reporting Council <IR> Framework. The 2021 Annual Report describes how the Dexus Sustainability Approach objectives are integrated into our business model and provides an overview of our performance against these objectives. The 2021 Sustainability Report comprises several components:

- Sustainability Performance Pack, which expands on the performance highlights within the 2021 Annual Report and provides further insight into how we apply the Dexus Sustainability Approach
- Sustainability Data Appendix, which contains comprehensive datasets for a range of ESG metrics and indicators
- Sustainability Approach and Procedures, which describe the policies and procedures that underpin each of the objectives of our sustainability approach

Readers interested in our alignment with the ASX Corporate Governance Principles and Recommendations should refer to the 2021 Corporate Governance Statement.



Our sustainability
approachValue creation
outcomes**Sustained
Value**

→ Page 10

Superior long-term performance for our investors and third party capital partners, underpinned by integrating ESG issues into our business model

VALUE DRIVERS

- Financial performance
- Capital management
- Corporate governance

**Leading
Cities**

→ Page 16

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

VALUE DRIVERS

- Portfolio scale and occupancy
- Economic contribution
- Development pipeline

**Thriving
People**

→ Page 24

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

VALUE DRIVERS

- Employee engagement
- Inclusion and diversity
- Health and safety

**Future Enabled
Customers and
Strong
Communities**

→ Page 34

A strong network of value chain partners (customers, communities and suppliers) who support Dexu and are positively impacted by Dexu

VALUE DRIVERS

- Customer experience
- Community contribution
- Supply chain focus

**Enriched
Environment**

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

VALUE DRIVERS

- Resource efficiency
- Climate resilience
- Green buildings



Sustainability at Dexus continued

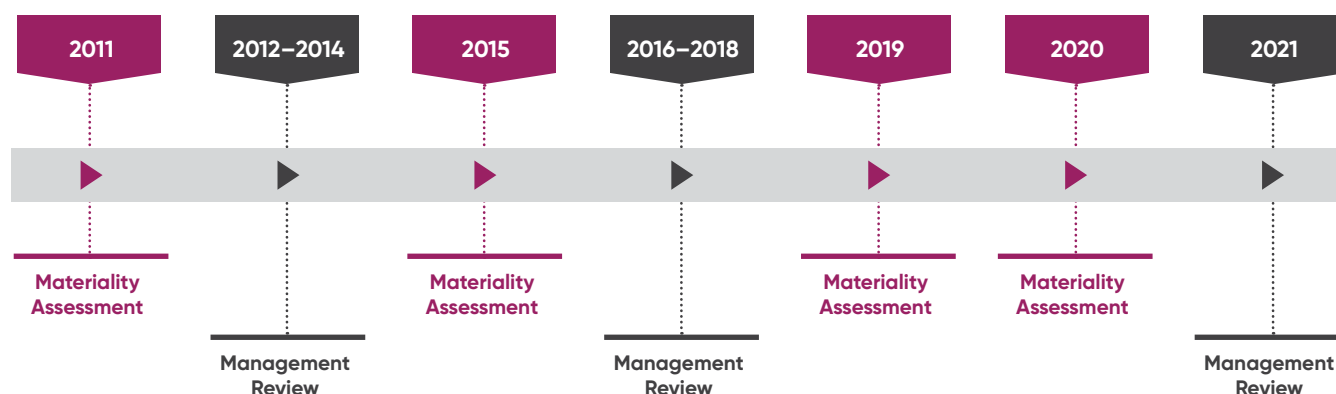
Our approach to materiality

The concept of materiality is central to corporate sustainability as it helps organisations highlight and prioritise the ESG issues of greatest importance to their business models. It also helps inform stakeholders about how those ESG issues impact the organisation's ability to create value and their impacts on society and the broader environment.

Dexus has completed regular materiality assessments since 2011 to inform our sustainability approach and reporting. We continuously seek to improve the information we report on, including reviewing material issues and key megatrends to ensure relevance.

Periodically, we formally re-assess our material issues through an extensive process, facilitated by an independent specialist. In the intervening years, including in 2021, we conduct a management review of our key megatrends and material topics.

Materiality assessment timeline and process



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

Review type	1. Initial analysis	2. Engage & consult	3. Identify & prioritise material topics	4. Reporting themes
Materiality Assessment (every 3 to 5 years)	Desktop research to consider a wide range of megatrends that could present risks and opportunities for Dexus.	Interviews with internal and external stakeholders to identify key megatrends and understand Dexus's positioning regarding risks and opportunities (SWOT analysis).	Identification of material topics associated with key megatrends, and prioritisation of material topics through engagement with Dexus senior and executive management.	Use of the material topics to determine reporting themes as specified by the Integrated Reporting Framework and GRI Standards.
Management Review (intervening years)	Research and review of key megatrends and material topics, and how they align with Dexus's strategic risks, risk management activities, operations, and project initiatives.	Consultation with internal stakeholders to review key megatrends and material topics. Review material issues arising from industry collaboration and sustainability surveys and benchmarks, such as CDP, GRESB, and DJSI.	Consultation with Dexus senior and executive management to confirm identified and prioritised megatrends and material topics.	Dexus has aligned with the Integrated Reporting Framework and GRI Standards to ensure the structure and content of annual results reporting adequately disclosed materiality issues and performance.

Based on the six key megatrends for Dexus as described in the 2021 Annual Report, the 2021 Materiality Management Review confirmed the nine material topics previously used to structure our integrated reporting suite.

These material topics help structure our reporting and are a major consideration for how we evolve our sustainability approach over time. The nine material topics formed the basis for identifying:

- 'Material matters' for value creation as defined by the International Integrated Reporting Council <IR> Framework, which are disclosed as 'value drivers' within Dexus's value creation framework on pages 4–5
- 'Topic specific disclosures' related to stakeholder impact as defined by the Global Reporting Initiative GRI Standards, used to inform the content within the 2021 Sustainability Report

The following table summarises how the nine material topics are linked to key megatrends, value drivers in Dexus's value creation framework (pages 4-5) and topic-specific disclosures in the 2021 Sustainability Report.

Megatrend	Material topic	Value drivers	GRI topic-specific disclosures
Urbanisation	Expanding our economic impact on Australian cities	Portfolio scale and occupancy Economic contribution Development pipeline Green buildings	GRI 103 Management Approach GRI 201 Economic Performance GRI 203 Indirect Economic Impacts G4-CRE8 Sustainability Certifications
Growth in pension fund capital	Ensuring high standards of corporate governance and transparency	Corporate governance	GRI 103 Management Approach GRI 102 Ethics and Integrity, Governance GRI 205 Anti-corruption GRI 206 Anti-competitive Behaviour GRI 307 Environmental Compliance GRI 415 Public Policy GRI 417 Marketing and Labelling GRI 419 Socioeconomic Compliance
Technological change	Deploying smart building technology along with mobile and virtual technology to enhance the customer experience	Customer experience	GRI 103 Management Approach GRI 418 Customer Privacy
Social and demographic change	Championing an inclusive and high-performing culture	Employee engagement Inclusion and diversity	GRI 103 Management Approach GRI 401 Employment GRI 402 Labour-management Relations GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity GRI 406 Non-discrimination
	Prioritising safety and wellbeing in our workplace and at our assets	Health and safety Customer experience	GRI 103 Management Approach GRI 403 Occupational Health and Safety GRI 416 Customer Health and Safety
Climate change	Maintaining a portfolio resilient to the physical impacts of climate change	Climate resilience	GRI 103 Management Approach GRI 201 Economic Performance
	Managing the use of resources efficiently	Resource efficiency	GRI 103 Management Approach GRI 302 Energy GRI 303 Water and Effluents GRI 306 Waste G4-CRE1 Building Energy Intensity
	Supporting the transition to a low carbon economy through net zero emissions	Resource efficiency	GRI 103 Management Approach GRI 305 Emissions G4-CRE3 Emissions Intensity from Buildings
Growth in sustainable investment	Upholding a social licence to operate by meeting stakeholder expectations for sustainability performance	Community contribution Supply chain focus	GRI 103 Management Approach GRI 204 Procurement Practices GRI 304 Biodiversity GRI 308 Supplier Environmental Assessment GRI 410 Security Practices GRI 412 Human Rights Assessment GRI 413 Local Communities GRI 414 Supplier Social Assessment G4-CRE7 Persons Displaced

Dexus reports in accordance with the GRI Standards (Core) reporting guidelines, with the addition of relevant indicators from the G4 Construction and Real Estate Sector Supplement. The 2021 GRI Index (page 173) provides a comprehensive reference specifying the disclosure of material topics across our 2021 Annual Reporting Suite.

Dexus Sustainability Approach

The Dexus Sustainability Approach incorporates the Principles for Responsible Investment (PRI) 'six principles' relating to responsible investment and active property management.

The approach is aligned with our strategy by supporting the long-term creation of sustained value through the integration of material ESG issues into our business model (refer to the value creation framework on pages 4–5).

Our sustainability approach is the lens that we use to effectively manage emerging ESG risks and opportunities and create long-term value. It incorporates five objectives which collectively direct our focus towards addressing the issues considered to be most material for our stakeholders.

Our purpose

The Dexus Purpose, we create spaces where people thrive, articulates our reason for being in business. Our purpose works alongside our sustainability approach to inspire our people to create thriving spaces that have a positive impact on our stakeholders.



Learn more

For further information on Dexus's risk management framework refer to the 2021 Annual Report and the 2021 Corporate Governance Statement.

Managing risk

A prudent and robust approach to risk management is an essential part of Dexus's ongoing success. There are various risks that could impact the execution of Dexus's strategy and outlook, and the nature and potential impact of these risks can change over time. Dexus actively reviews and manages risks faced by the group over the short, medium and long term, overseen by the Board Risk Committee.

Independent assurance

In addition to auditing the Financial Statements, PricewaterhouseCoopers (PwC) provides limited assurance over select environmental and social data metrics within the 2021 Dexus Annual Reporting Suite.

Limited assurance has been obtained for the 12 months to 30 June 2021. The Assurance Statement, and associated reporting criteria documents are available at page 199.

Boundary terms

In this 2021 Sustainability Report:

- 'Dexus', 'the group', 'Dexus group portfolio', 'we', 'us' and 'our' refer to Dexus comprising the ASX listed entity (DXS) and the funds management business, unless otherwise stated
- 'Dexus portfolio' relates specifically to the portfolio of properties in the ASX listed entity
- 'Funds management portfolio' relates to properties managed by Dexus on behalf of third party capital partners
- 'Third party capital partners' refers to the investors, partners, and clients in our funds management portfolio
- Any reference in this report to a 'year' relates to the financial year ended 30 June 2021. All dollar figures are expressed in Australian dollars unless otherwise stated

Aligning with global goals

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

The UNGC's ten principles are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

The SDGs are a set of 17 universal goals applicable to all countries at all stages of development. They detail a path to 2030 to end extreme poverty, fight inequality and injustice, protect the planet, and provide a framework for global and local sustainable development efforts.

Dexus's approach to reporting against the UN Sustainable Development Goals to date has involved considering the objectives of the Dexus Sustainability Approach and aligning these objectives with the SDGs. This approach is supported by best practice guidance published by the Global Reporting Initiative and the UN Global Compact; however, it has resulted in claiming alignment with 12 SDGs over the years.

In FY21, we made the decision to introduce a stricter approach to our SDG reporting. We 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. We are now reporting against four priority SDGs that align closely with our core business activities – as defined by the Dexus Sustainability Approach – rather than broader corporate alignment. This targeted approach enables us to have a positive influence through our core business activities.



Our priority SDGs, targets, and alignment with the Dexus Sustainability Approach



Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.



Enriched
Environment



Target 12.2: By 2030, achieve the sustainable management and efficient use of natural resources.



Enriched
Environment

Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



Target 11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.



Leading Cities



Thriving People



Future Enabled
Customers and
Strong Communities

Target 11.b: By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters.



Target 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.



Sustained
Value



Enriched
Environment



Sustained Value



Delivering superior long-term performance for our investors and third party capital partners is underpinned by integrating environmental, social and governance issues into our business model.

Our capacity to sustain financial performance depends on our ability to create value through leveraging our key resources, underpinned by a high standard of corporate governance.

Dexus's strategy is to deliver superior risk-adjusted returns for investors from high quality real estate in Australia's major cities. Continued execution of our strategy over time requires effective deployment of our key resources and relationships, including:

- **Financial** – The pool of funds available to us for deployment, which includes debt and equity funding, funds from our third-party capital partners to invest on their behalf, as well as profits retained from our property management, development, and trading activities
- **Manufactured** – Our properties, which are central to our ability to create value as a real estate company
- **Human** – The knowledge, expertise, and performance of our people
- **Social and relationship** – The relationships we nurture with our customers, local communities, and suppliers
- **Natural** – The natural resources we use such as energy, water, and materials

The objectives of our sustainability approach are aligned with our key resources and relationships:

- **Sustained Value** – Delivering long-term financial performance for our investors and third-party capital partners, supported by active capital management, strong corporate governance, and the achievements of our other sustainability approach objectives
- **Leading Cities** – Focusing on maintaining and developing a high-quality property portfolio that contributes to economic prosperity and sustainable urban development across Australia's key cities
- **Thriving People** – Maintaining an engaged and capable workforce with high levels of personal fulfillment and satisfaction, who are motivated to deliver on our strategy
- **Future Enabled Customers and Strong Communities** – Partnering with satisfied and successful customers, prosperous and strong communities, and capable suppliers with whom we enjoy productive and enduring relationships
- **Enriched Environment** – Providing an efficient and resilient portfolio that minimises our environmental footprint, helping us to mitigate climate risk and prepare for a resilient future



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Delivering FY21 Sustained Value commitments

Each year, we set commitments that indicate how we will deliver on our objective of Sustained Value.

FY21 Commitment	Status	FY21 Progress
Deliver a distribution in line with free cash flow	●	Provided FY21 guidance in October 2020 for a full year distribution per security amount that was consistent with FY20, and then upgraded this guidance on 31 May 2021 to deliver 3% growth. The FY21 distribution per security achieved was 51.8 cents per security reflecting 3% growth on FY20.
Maintain a strong balance sheet while further diversifying debt	●	Maintained a strong balance sheet demonstrated by gearing (look-through) of 26.7%, well below the target range of 30-40%.
KEY ● Achieved ○ Not achieved ○ Progressed		



Sustained Value

51.8cents

Distribution per security

FY20: 50.3 cents

51.8cents

Adjusted Funds from Operations (AFFO) per security

FY20: 50.3 cents

8.3%

Return on Contributed Equity

FY20: 9.0%

The approach and performance disclosed in each section of this Sustainability Performance Pack ultimately supports our creation of sustained value. The Sustained Value section of this report focuses on:

- Summarising the progress against FY21 Sustained Value commitments
- Explaining how Dexu is integrating sustainability into its increased focus on the healthcare sector
- Highlighting the activities of our Board ESG Committee over the year
- Enhancing our positioning as a sustainable investment of choice



FY22 Commitments

- > Based on current expectations relating to COVID-19 impacts and barring unforeseen circumstances, Dexu expects distribution per security growth of not less than 2% for the 12 months ended 30 June 2022
- > Maintain a strong balance sheet while further diversifying debt





Sustainable healthcare

Growing exposure to healthcare

Dexus has grown its exposure to healthcare property to over \$1.6 billion¹, capitalising on growing investor interest in this attractive sector.

Dexus Healthcare Property Fund (DHPF) was launched in 2017 in response to the strong demand drivers and market fundamentals supporting the long-term growth of the Australian healthcare sector.

Australia's growing population is ageing, with longer life expectancy and more frequent use of health services. The Australian healthcare sector benefits from non-discretionary characteristics insulating demand from economic cycles, as well as a supportive regulatory environment. Healthcare properties provide access to secure long-term leases, strong tenant covenants, limited owner capex requirements through triple net leases, and diversification benefits to other property sectors.

Since inception, DHPF has maintained a focus on integrating sustainable environmental outcomes through implementing its Clean Energy Policy, to align with the needs of one of its founding investors, the Clean Energy Finance Corporation.

Through DHPF as well as Dexus's direct 50% interest in Australian Bragg Centre, Dexus invests in, manages, and develops healthcare properties to achieve its strategic objectives of generating sustainable income streams and being the real estate investment partner of choice.

During FY21 in a highly competitive market, Dexus sourced a number of value adding healthcare acquisitions, enhancing and growing DHPF's high-quality portfolio to over \$1.2 billion¹. These acquisitions included:

- Spring Hill Medical Centre and Herston Car Park developments in Brisbane
- Bethesda Clinic fund-through development in Perth
- Manning Building and Building 4 at the Monash University Parkville Campus in Melbourne
- The remainder of North Shore Health Hub in St Leonards after practical completion of the development
- Australian Bragg Centre in Adelaide
- College Junction, Clayfield in Brisbane

In addition to the above transaction activity, the development of the North Shore Health Hub reached practical completion in March 2021.

Applying the Dexus Sustainability Approach

DHPF's Clean Energy Policy underpins the integration of ESG principles across the fund, including helping drive design enhancements for North Shore Health Hub, St Leonards and underpins due diligence in relation to energy efficiency for new acquisitions.

New developments demonstrate their sustainability credentials through seeking independent green building certifications, such as North Shore Health Hub which has achieved a 6 Star Green Star design review rating above its 5 Star target (see page 19) and Australian Bragg Centre which is targeting a LEED Gold certification upon completion (see page 18).

We also apply the Dexus Sustainability Approach to DHPF's operational assets, such as GP Plus Healthcare Centre and Calvary Adelaide Hospital, through engaging with facilities management teams and deploying capital expenditure where possible to enhance performance.



1. Includes estimated on completion value of \$230 million for DHPF's 50% interest in Australian Bragg Centre; the Bethesda Clinic at an estimated on completion value of \$58.3 million (100% DHPF); and Spring Hill Medical Centre and Herston Car Park at an estimated on completion value of \$130.7 million (100% DHPF).

Corporate governance update

A high standard of corporate governance underpins the trust that Dexus maintains with its people, investors, and customers, as well as its broader social licence to operate.

Dexus established an Environmental, Social and Governance Committee (Board ESG Committee) in 2019 to consider the material ESG issues relevant to the group and support it in maintaining its position as a global leader in ESG performance.

The Board ESG Committee supports the Board in:

- Understanding the expectations of key Dexus stakeholders
- Understanding how Dexus's ability to create value is impacted by ESG issues
- Monitoring external ESG trends and understanding associated risks and opportunities

The Board ESG Committee meets four times a year and engaged with Dexus management teams on a range of ESG topics, including:

- Investor ESG benchmarks and third-party ratings (page 15)
- New regulatory requirements and performance standards
- Performance against environmental targets and the establishment of any new targets (pages 52–65)
- Energy solutions, including customer initiatives and procurement (pages 55–57)
- The decision to bring forward our target to achieve net zero emissions (page 54)
- Our approach to climate resilience – financial impact analysis (page 64)
- Healthy buildings initiatives, including system upgrades and technology pilots (page 39)

- Our approach to a Reconciliation Action Plan (page 45)
- Our community partnership model and social impact initiatives (page 42–43)
- Our approach to modern slavery risk in the supply chain and our 2021 Modern Slavery Statement (page 50–51)

To support the Board ESG Committee, we have established an internal management structure described in the table below. Changes to our management structure over the past year included expanding the General Management Committee (GMC) and appointing a Chief Operating Officer and Executive General Manager, Group Strategy. The expanded GMC is reserved for major decisions only. We also established a new Corporate Executive Committee (CEC), which now takes ownership of group operational matters and sits alongside the existing Investment Committee (IC) and Property Executive Committee (PEC). Finally, we established a Reconciliation Action Plan Working Group within our Social Impact Working Group, described further on page 45.

Sustaining ESG leadership across the Dexus group

Dexus Board

Sets the corporate standard, establishes effective governance, oversees business performance, and provides ultimate accountability for the group

Board ESG Committee

Oversees the implementation and management of sustainability/ESG practices and initiatives throughout Dexus

Corporate Executive Committee

Coordinates the implementation and management of sustainability/ESG practices and initiatives throughout Dexus

Climate Resilience Working Group

Responsible for monitoring climate-related risks and opportunities relevant to the group and coordinating climate-related management activities.

Anti-Modern Slavery Working Group

Responsible for coordinating the group's approach to identifying, assessing, and addressing modern slavery risk in Dexus operations and supply chain.

Energy Procurement Working Group

Responsible for implementing a group-wide energy procurement approach and coordinating ongoing procurement practices for electricity and natural gas, while integrating a transition to clean energy.

Social Impact Working Group

Responsible for implementing the group's social impact strategy including customer and supply chain sustainability, and community contribution.

Reconciliation Action Plan Working Group

Responsible for advancing the group's reconciliation efforts with First Australians and implementing initiatives aligned to Dexus's Reconciliation Action Plan.



Sustainable investment

The ongoing societal impacts from the COVID-19 pandemic has accelerated investor interest in how businesses like Dexus are managing ESG risk and supporting broader positive impacts.

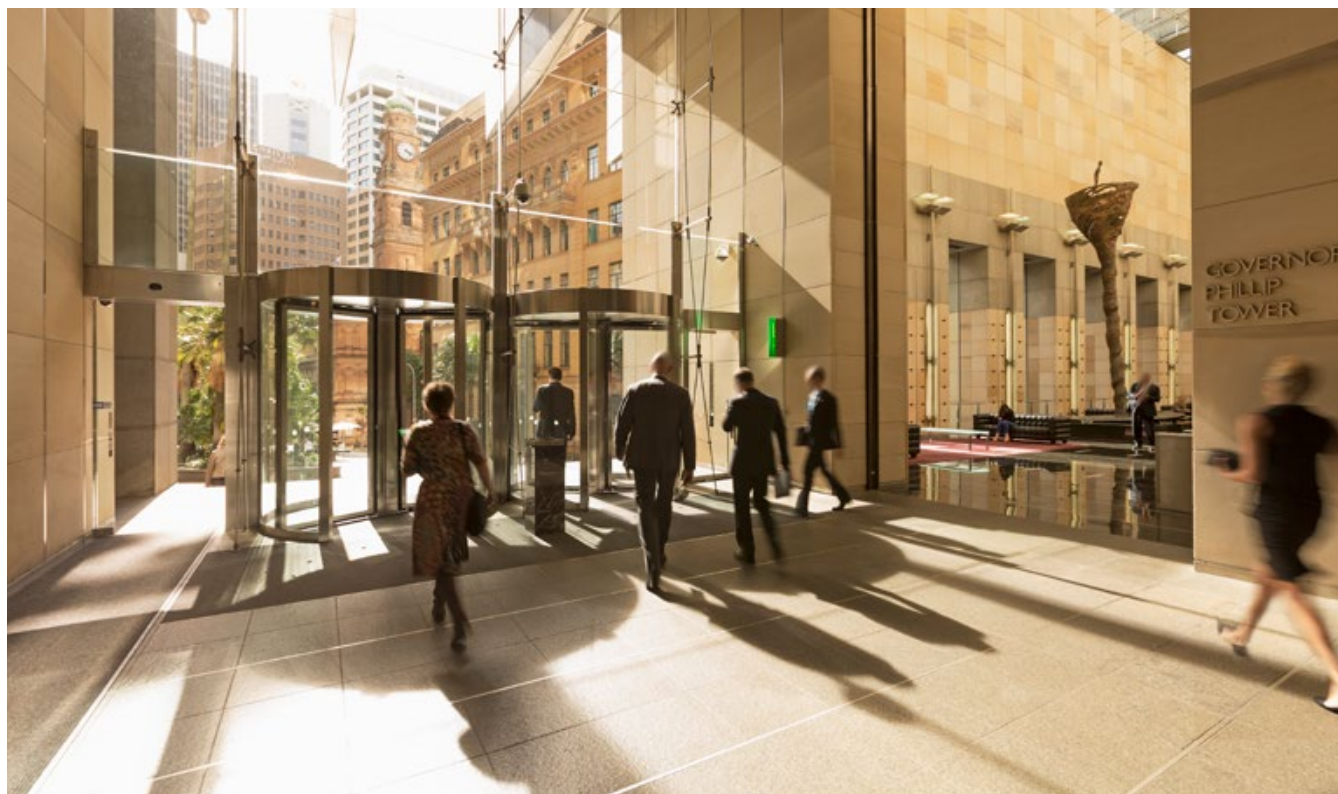
Through the Dexus Sustainability Approach, we have long recognised the importance of ESG for sustained value creation. We engage with current and prospective investors to hear about their ESG priorities and concerns, discuss the implementation of our sustainability approach, and gain broader insights on how ESG is impacting local and global markets. Issues discussed with key investors during FY21 included:

- Dexus's management of workplace health and safety to provide COVIDSafe buildings and support customers in returning to work and increasing the physical occupancy of office buildings across the various CBD markets
- Dexus's healthy buildings initiatives to drive customer health and wellbeing
- Dexus's approach to climate change mitigation and adaptation, including the decision to bring forward its target to achieve net zero emissions

We participate in several investor ESG surveys for the purposes of benchmarking our sustainability performance, communicating our sustainability credentials, and understanding how we can continuously enhance our sustainability approach. We are proud to have achieved the highest possible standing across our key ESG benchmarks in the industry, as summarised on the next page.

We welcome the increased interest in ESG from our investors and are proud to have achieved the highest possible standing across our key ESG benchmarks in the industry





ESG Benchmark

FY21 performance summary

Dexus group ratings from the Principles for Responsible Investment include:



- A+ score across Strategy and Governance
- A+ score for our approach to responsible investment across our Direct Property portfolio



Dexus group ratings from the Global Real Estate Sustainability Benchmark include:

- Dexus Office Trust recognised as the Global Sector Leader for listed office entities
- Dexus Wholesale Property Fund recognised as the 2020 Regional Sector Leader for diversified office/retail entities in Oceania for the second consecutive year
- DHPF, participating in the GRESB assessment for the first time in 2020, ranked 4th globally across healthcare sector funds



Dexus's retained its position on the DJSI World Index and retained its standing as the Global Industry Leader for real estate



Dexus group's rating from CDP Climate Change:

- Included on the CDP Climate A List (Leadership A score) Dexus was one of three Australian companies and one of only two Australian property companies to be included on the A List for 2020



Leading Cities

As one of Australia's largest owners and managers of real estate, our high-quality sustainable properties contribute to the creation of leading cities.



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As a real estate company our properties are central to how we create value. Our investments and value creation potential are closely linked to the success of Australia's major cities which are recognised for their amenity, ease of access, and place to do business.

Our investment portfolio comprises mainly prime CBD offices in Australia's gateway cities and includes some of the country's most iconic and irreplaceable assets, and we believe these locations are where our customers want and need to be.

We are Australia's largest owner and manager of prime office property with 1.8 million square metres of office space spanning 53 office properties, covering the CBDs of Sydney, Melbourne, Brisbane and Perth.

One of the key megatrends positively influencing our business model is urbanisation. In Australia, our major cities contribute around 80% to national GDP. The CBDs are the engine room for most of this economic activity, supporting hundreds of thousands of businesses and millions of jobs.

Urbanisation is supported by the growth drivers of strong long-term population growth and record levels of infrastructure investment which enhance our cities' accessibility, liveability and sustainability.

Cities deliver economic prosperity through enhancing opportunities for collaboration and supporting the exchange of knowledge and ideas. We contribute to this prosperity through the delivery and management of world class properties that attract high calibre customers whose businesses support local, regional and national economies. We expand our reach through engaging with local communities, authorities and industry associations and collaborating to share insights and lift urban development standards.

The activation of our development pipeline enhances portfolio quality, while providing our third party capital partners with co-investment opportunities to create places where our customers can thrive.

Our \$14.6 billion development pipeline includes several city-shaping projects providing us with a strong platform for organic growth and value-creating opportunities. We utilise our capability to secure development sites and create the next generation of buildings, ideally helping shape our cities for the future as desirable places to live, work and play, while contributing to job creation and economic growth.



Leading Cities

\$42.5bn

Value of group
property portfolio

95.2%

Dexus office
portfolio occupancy

97.7%

Dexus industrial portfolio
occupancy

\$1.27bn

Gross Value Added (GVA)
to the Australian economy

7,980

Construction jobs
supported

\$14.6bn

Group development pipeline

Delivering FY21 Leading Cities commitments

Each year, we set commitments that indicate how we will deliver on our objective of Leading Cities.

FY21 Commitment	Status	FY21 Progress
Maintain office portfolio occupancy above the Property Council of Australia market average	●	Dexus office portfolio occupancy was 95.2% exceeding the Property Council of Australia's national occupancy rate of 88.1% at 30 June 2021
Progress city-shaping precinct projects in Sydney, Brisbane, Melbourne and Perth that improve the amenity and vibrancy of Australia's CBDs	○	Progressed key city-shaping precinct projects including Central Place Sydney and Waterfront Brisbane and completed development projects at 180 Flinders Street and 80 Collins Street in Melbourne
Grow industrial precincts to meet the demand for high-quality, well-located logistics facilities across the east coast of Australia	○	Secured 37.5 hectares of land for future industrial development, achieved 264,600 square metres of industrial development leasing, and completed 272,700 square metres of industrial space across Victoria, NSW, and Queensland
Contribute to economic growth through the generation of employment and contribution to GVA from development projects	●	Dexus's group development pipeline generated \$1.27 billion GVA to the Australian economy and supported 7,980 construction jobs in FY21

KEY ● Achieved ○ Not achieved ○ Progressed



FY22 Commitments

- > Maintain office portfolio occupancy above the Property Council of Australia market average
- > Progress city-shaping precinct projects in Sydney, Brisbane, Melbourne, Perth and Adelaide that improve the amenity and vibrancy of Australia's CBDs
- > Grow industrial precincts by more than 200,000 square metres to meet the demand for high-quality, highly accessible logistics facilities across the east coast of Australia
- > Contribute to economic growth through the generation of employment and contribution to GVA from development projects

Learn more

Key elements of our approach to Leading Cities, including transactions due diligence, development activities, and stakeholder engagement procedures are described in the Sustainability Approach and Procedures component of this Sustainability Report on pages 119–130.



Creating leading city precincts

Lifting the benchmark for sustainable development across Australia's major cities.

Brisbane

Waterfront Brisbane

Waterfront Brisbane involves a major redevelopment of Eagle Street Pier which will make way for two office towers and unlock the considerable potential of this Brisbane CBD gateway site. Waterfront Brisbane will be a great outcome for Brisbane with the renewal of the city's premium business district, a vibrant retail and public space, activation of the river and improvements to the Riverwalk.

Over the year, we received planning approvals for Waterfront Brisbane from Brisbane City Council, bringing this transformational development one step closer to reality.

Concept planning is considering how leading-edge technologies can support the precinct's net zero emissions aspirations and minimise its environmental impact. Waterfront Brisbane is targeting:

- 6 Star Green Star Design and As Built rating, signifying "World Excellence"
- 5.5 star NABERS Energy rating
- 4 star NABERS Water rating



Adelaide

Australian Bragg Centre

During the year, Dexs and Dexs Healthcare Property Fund (DHPF) grew its investment in healthcare real estate through acquiring stakes in the Australian Bragg Centre in Adelaide. Australian Bragg Centre is a landmark facility located within Adelaide's BioMed City precinct, one of the largest health and life sciences clusters in the southern hemisphere. The building will be a 15-level state-of-the-art clinical and research facility that will house Australia's first Proton Therapy Unit and key university and government institutions.

- Australian Bragg Centre is on track to achieve a LEED Gold certification

Throughout the year, Dexs worked with the builder and design team to ensure that the development remained on track to achieve this status.



Melbourne

In Melbourne, we completed the hotel at our landmark 80 Collins Street and the development of 180 Flinders Street delivering a vibrant new office tower, refurbishment of the existing heritage offices, with the building façade fully restored to its former glory. At 60 Collins Street we are planning a development that will consolidate two adjacent sites to create a Premium grade office tower. Having received initial planning approval for the development, we have lodged a planning amendment for an expanded scheme.

Our Melbourne properties will showcase their sustainability credentials through:

- 5 Star Green Star As Built and 5 star NABERS ratings at 180 Flinders Street
- 5 Star Green Star As Built and 5.5 star NABERS ratings and WELL v2 Core Platinum ratings at 60 Collins Street

Sydney

Central Place Sydney

Central Place Sydney is a major commercial development underpinning the delivery of Tech Central, Sydney's innovation and technology precinct. Dexus is progressing the integration of the NSW Government's plans to revitalise Sydney's Central Station through the redevelopment of its Lee Street properties and Henry Deane Plaza in partnership with Frasers Property Australia into a large scale, mixed-use development integrating a transport and pedestrian solution.

The project is progressing through Stage 3 of the NSW Government's Unsolicited Proposal process and we lodged planning applications. During the year, we progressed an agreement that will enable us to fund, develop and invest in Atlassian's new headquarters which is located adjacent to Central Place Sydney. Together, these developments will significantly contribute to large-scale urban change and position Tech Central as a key driver of innovation and growth in the Asia Pacific region.

Central Place Sydney is targeting net zero base building emissions through an all-electric design powered from 100% renewable energy sources. The proposal includes the following sustainability performance ratings:

- 6 Star Green Star Design and As Built
- 5.5 star NABERS Energy rating, with a stretch goal of 6 stars
- 4 star NABERS Water rating

25 Martin Place, Sydney

Construction continued at 25 Martin Place (formerly MLC Centre), on a project that will create a vibrant mixed-use redevelopment across four levels of retail, dining and cultural spaces in the heart of the Sydney CBD. The development includes the renewal and refurbishment of the Theatre Royal, supporting the culture of the city and contributing to Sydney's day and night economy.

Pitt and Bridge Precinct

The Pitt and Bridge Precinct in Sydney is a potential office development for Dexus and the Dexus Office Partner on a large 3,300 square metre site located in the financial core of the city. Although planning is still in early stages, we are considering how we can ensure the iconic site showcases sustainable development through targeting the following achievements:

- 6 Star Green Star Design & As Built rating
- WELL Platinum Building Rating (Shell & Core v2)
- Net zero emissions
- 5.5 star NABERS Energy rating
- 4 star NABERS Water rating
- Exceeding code requirements for indoor environmental quality

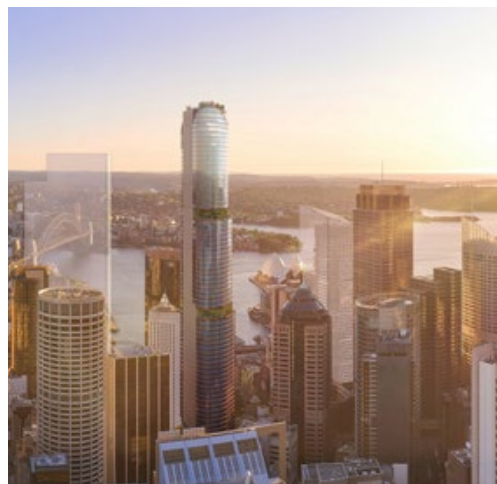
North Shore Health Hub, St Leonards

This year, we completed the development of the North Shore Health Hub in St Leonards, Sydney, delivering high quality healthcare infrastructure incorporated into one of Australia's leading health precincts. The facility meets the growing demand for integration in public and private healthcare services, ensuring workspaces cater to the needs of both patients and practitioners.

As well as providing health and medical services to the community, the North Shore Health Hub contributes to the broader sustainability objectives of DHPF.

Key sustainability achievements include:

- Enhancing operational efficiency through the installation of a 160 kW solar system to offset the facility's carbon emissions
- Achieving a 6 Star Green Star design review rating, receiving 75 points, well above the 66 points targeted for the 5 Star Green Star rating





Case study

Collaborating to drive the recovery of Australian CBDs

Dexus has worked alongside industry partners and city stakeholders to reinvigorate CBDs around Australia and bring to life our purpose of creating spaces where people thrive.

Attracting customers back to the CBD on a Friday

A collaborative property industry initiative was launched in May this year to give people and workers a reason to return to city centres on a Friday, with a coordinated program of activations and attractions rolled out across Dexus's properties located in Melbourne and Brisbane.

As people returned to offices in the post-pandemic period, office occupancy data compiled by the Property Council of Australia indicated they were tending to opt to work from home on Fridays – traditionally the day when CBD workers spent the most money on retail and hospitality.

More than any city in Australia, Melbourne endured months of COVID-19 restrictions. FOMO Fridays showcased the best of Melbourne's CBD with a program of free events and activations designed to reignite the excitement of being in the CBD on a Friday, along with free public transport to attract workers back to the office.

At its new 80 Collins Street development, Dexus collaborated with the Melbourne Food and Wine Festival to host progressive dining events, a light sculpture laneways installation and various retail offers. At QV Melbourne, customers could have their cosmic cards read or enjoy the pop-up cocktail bar with guest DJs. At Rialto, shoppers enjoyed shop front art installations, and at Galleria, there were interactive arcade games with prize giveaways.

In Brisbane, the Fridays in the City initiative brought together reactivation efforts in partnership with Brisbane City Council and other CBD stakeholders. Dexus manages eight office buildings in Brisbane, including 480 Queen Street and Waterfront Place which includes Eagle Street Pier. A host of lobby activations including mini putt-putt, table tennis, tarot reading, 'paint and sip' classes and happy hours were offered to customers who visited the city on a Friday.

Following the success of this initiative in Melbourne and Brisbane, similar initiatives are planned for Australia's other CBDs.



Case study

Continued momentum accelerates industrial development leasing

Strong demand for high quality logistics facilities to support the growing needs of ecommerce and other growth sectors continues to underpin the activation of Dexus's industrial developments across the east coast of Australia.

The momentum across Dexus's industrial development business has resulted in significant leasing being achieved at the Horizon 3023 estate in Ravenhall, Victoria, well ahead of the original target.

Horizon 3023 is a masterplanned industrial estate in Melbourne's Western Corridor with convenient access to freight and logistics networks. The 127 hectare site was acquired in August 2018 and is owned by Dexus Australian Logistics Trust (DALT) (in which Dexus owns a 51% interest) and Dexus Wholesale Property Fund (DWPF).

Dexus is developing up to 450,000 square metres of prime commercial and industrial property on the site comprising modern large scale high-tech manufacturing, logistics and warehousing facilities, with an estimated \$620 million investment over the life of the development. On completion, Horizon 3023 is expected to support around 5,000 to 6,000 jobs.

The estate's first tenant, food manufacturer and distributor, Scalzo Foods, was secured last year and its 35,300 square metre purpose-built facility was completed in December 2020. A pre-commitment with Hello Fresh was also achieved during FY21 for a circa 25,500 square metre facility which was completed in June 2021.

In FY21, an additional 6.8 hectares of land, adjacent to the existing industrial estate, was acquired to improve the existing masterplan and provide the opportunity to create additional industrial product to respond to an active leasing market.

During FY21, Amazon Australia committed to a circa 36,700 square metre facility that will be the retailer's fulfilment centre servicing the Melbourne market. Pre-commitments were secured with Electrolux (c.20,000sqm) and Mitre10 (c.50,900sqm), while build-to-lease commitments were secured with eStore (c.17,500sqm) and Myer (c.40,000sqm).

These leases take commitments at Horizon 3023 to circa 226,000 square metres. Along with an adjacent speculative building of 60,000 square metres to be constructed to leverage synergies in the project delivery, new buildings are now committed or under construction across 63% of the expanded developable area, with 50% of the estate leased, 24% above the original leasing forecasts.





Amenity through activation

Dexus properties take centre stage in urban celebrations activations and city events.

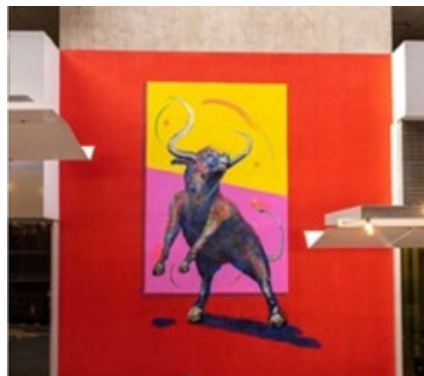
Rialto Urban Blooms

Rialto Towers took part in the City of Melbourne's Urban Blooms initiative to help bring Melbournians back in to the CBD. In partnership with Botanics of Melbourne, Rialto presented the 'Living Tunnel of Change', which brought crowds into Rialto to take photos, enjoy the scenery, and experience the exhibit's representation of the passing of time.



World Environment Day

On World Environment Day this year, we joined with our community partner, Planet Ark, to raise funds for the Seedling Bank. The Seedling Bank supplies native seedlings to schools and community groups around Australia and is part of Planet Ark's National Tree Day campaign, which is a call to action for all Australians to put their hands in the earth and give back to their community. Activations were organised in the lobbies of our Sydney properties including Australia Square, 5 Martin Place, 309-321 Kent Street and 383 Kent Street.



Celebrating the Year of the Ox

This year, several properties in our portfolio got creative in bringing the Year of the Ox to life to celebrate Lunar New Year. QV Melbourne hosted a series of augmented reality murals and lantern displays, supporting local artists such as Mark Chu. Other properties emphasised the power of food to attract people and activate spaces including in Sydney where 25 Martin Place collaborated with Din Tai Fung to create a dumpling stall and One Farrer Place installed a branded fortune cookie display.



Perth Christmas Lights Trail

For the third consecutive year, Kings Square, Perth, was a Gold Partner of the Reindeer Playground for the City of Perth Christmas Lights Trail. Over a period of 45 evenings, customers followed a selection of three trails showcasing 30 illuminated installations, fostering city activation and economic activity for Perth retail.

Contributing to positive change across our industry

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

Our people actively engage with the Property Council of Australia through group initiatives and regular advocacy, with 33 Dexu team members represented across Property Council of Australia committees, roundtables and working groups. Dexu's CEO also continued his role as a member of the Property Champions of Change Coalition (previously Male Champions of Change), an initiative to drive gender equality in the property industry and increase the number of women in leadership roles.

Looking more broadly, we know that we have a responsibility to keep advocating for positive change across our industry. Climate change remains a serious focus for property companies, as buildings and construction are responsible for 39% of global energy-related carbon emissions.

To play our part in driving broader change, we were one of two property companies represented on the Climate Leaders Coalition, which is a group of 31 cross-sectoral Australian CEOs who are working to accelerate emission reductions and solve some of the country's hardest decarbonisation challenges. The initiative is focused on bringing scale, collaboration, joint learning, commitment, and leadership to seize climate-related opportunities, mitigate risks and bring others on the journey.

Our people have also given presentations and participated on panels or virtual webinars focused on raising the benchmark for sustainable development and corporate action on ESG, such as:

- Green Building Council of Australia Carbon Positive Partner leader webinar series (July 2020), where Dexu discussed the commitments and targets it is taking to move towards a net zero future

- Property Council of Australia's (PCA) inaugural International Women's Day Breakfast (March 2021), where as Chair of the PCA Committee for Diversity, Dexu introduced the female non-executive director guest speakers who shared their reflections on the challenges presented by the COVID-19 pandemic
- Urban Taskforce Urban Visions (May 2021), where Dexu presented on the redevelopment of 25 Martin Place and how it will reinvigorate Sydney's CBD economy, creating spaces where people can thrive
- The ESG in Real Estate Summit (June 2021), where Dexu joined a panel to examine the convergence between Capital Markets and Real Estate and how REITs and investors are driving change on ESG in the real estate industry

Case studies

City of Sydney net zero performance standards

To support the transition to net zero emissions, the City of Sydney has developed performance standards for net zero energy buildings to be implemented through the planning system. The regulations will come into effect in January 2023, enforcing step changes in performance standards for energy efficiency and integrating renewables, giving the industry time to adapt and innovate to achieve net zero emissions by 2026.

Dexu was engaged during the City of Sydney's consultation process, and we publicly endorsed the performance standards as part of its commitment to be net zero by the end of FY22 (see page 54). As a result of this close alignment with our own target, we have already factored these new performance standards into our existing developments, including Central Place Sydney and the Pitt and Bridge Precinct. All future designs, including 140 George Street, Parramatta, will incorporate these benchmarks as they are recommended for adoption by councils city-wide.

"We support the City of Sydney's proposal to implement new performance standards to govern development projects. This is a crucial policy tool that will provide clear direction and certainty to the property industry as we accelerate action in the transition to net zero."

– Darren Steinberg, Dexu CEO.

1 Bligh Street gains more recognition

The office tower at 1 Bligh Street in Sydney lifted the benchmark for sustainable office buildings ten years ago when it was crowned the Most Outstanding New Tall Building in Asia and Australasia by the Council of Tall Buildings and Urban Habitat (CTBUH). A decade later, CTBUH has recognised 1 Bligh Street for its enduring design and development excellence, awarding it the 10 Year Award of Excellence. 1 Bligh Street is a flagship development that has stood the test of time, combining ground-breaking design, sustainability and technology innovation in one of the world's most enviable locations. 1 Bligh Street continues to be recognised as the world's most innovative high-rise office building, enhancing the heart of Sydney CBD's financial district, and delivering the sustainable workspace of the future with a fully integrated public domain. Testament to the building's enduring success is anchor tenant Clayton Utz's decision to renew its lease for a further 10 years from 2021.





Thriving People



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



In this section

Employee engagement	26
Professional development	28
Inclusion and diversity	30
Employee health and wellbeing	32

Our people and our capabilities are central to how we deliver our strategy. We inspire, engage, and develop a workforce that embraces our values and lives our purpose.

Our Thriving People objective reflects the importance we place on maintaining a healthy, engaged and connected team that sustains an inclusive culture. Our people act as brand custodians and support the delivery of long-term performance.

Our workforce is made up of people who have the capabilities and passion for supporting our customers and communities who work in and visit our buildings. They are inspired and motivated to ensure our purpose of 'creating spaces where people thrive' comes to life.

We understand that diversity brings broad perspectives that lead to better decision-making, and that prioritising diversity enables us to access the widest pool of talent available. Our commitment to building an inclusive and diverse workforce helps us to attract and retain the high-performing people required to succeed in today's ever-changing business environment.

We believe that investing in the development of our people and capabilities will create meaningful, fulfilling work for our teams and support the culture required for achieving sustained value for all our stakeholders. Our leaders set the tone from the top through inclusive leadership that brings the best out of their teams.

A safe and healthy work environment contributes to enhanced performance, and our steadfast focus on safety and employee health and wellbeing supports our belief that health is a state of complete physical, mental and social wellbeing.

Our people constantly challenge whether there are better ways of working and are encouraged to share their ideas to achieve business excellence. We reinforce and sustain best practices when it comes to managing risk and embedding a strong risk culture. We believe our strong risk culture is a strength at Dexus, leading to better decision-making and fair and ethical outcomes for our customers and stakeholders.



Thriving People

+43

Employee
Net Promoter Score

35%

Females in senior
and executive
management roles

559

Dexus employees

100%

Safety audit score across
Dexus workspaces

Delivering FY21 Thriving People commitments

Each year, we set commitments that indicate how we will deliver on our objective of Thriving People.

FY21 Commitment	Status	FY21 Progress
Maintain employee Net Promoter Score at or above +40	●	Achieved average employee Net Promoter Score for FY21 of +43 (FY20: +61)
Place internal candidates in more than 20% of available roles	●	Placed internal candidates into 35% of available roles
Achieve 40:40:20 gender mix in senior and executive management roles by FY21 (40% female, 40% male, 20% any gender)	○	Recorded 35% female representation in senior and executive management roles at 30 June 2021
Maintain recognition as an Employer of Choice for Gender Equality	○	Completed gender equality activities to support Dexus's continued recognition as an Employer of Choice for Gender Equality, when the citation is up for renewal by the Workplace Gender Equality Agency in FY22.
Roll out 'Real Leaders' mental health awareness training for people managers	●	Launched the 'Real Leaders' program, designed to support our leaders in identifying when someone needs help and how to respond empathetically
Target key talent retention rate of 90% or higher	●	Achieved a key talent retention rate of 100%
Enhance LGBTI+ inclusion through improving standing on the Australian Workplace Equality Index	●	Improved Dexus's standing on the Australian Workplace Equality Index, achieving a score of 95 (FY20: 70) and recognition as a 2021 Bronze Employer.
KEY ● Achieved ○ Not achieved ○ Progressed		



FY22 Commitments

- > Maintain employee Net Promoter Score at or above +40
- > Achieve 40:40:20 gender representation in senior and executive management roles by FY23
- > Maintain recognition as an Employer of Choice for Gender Equality
- > Roll out mental health awareness training to all employees
- > Target key talent retention rate of 90% or higher
- > Roll out Lead @ Dexus to all people managers
- > Maintain standing on AWEI in relation to LGBTI+ inclusion

Learn more

Key elements of our approach to delivering our Thriving People objective are provided in the Sustainability Approach and Procedures section on pages 131-139.



Employee engagement

Our approach to employee engagement recognises that high performance depends on fostering an inclusive and constructive culture, continuously improving the employee experience by listening to our people and supporting their wellbeing.

Insights from our people

We maintain awareness of our people's views and needs through our Employee Listening Strategy, which is an integrated approach to understanding their experience. This strategy involves periodic employee pulse surveys, providing real time feedback throughout the year so we are quickly able to ensure teams have what they need to thrive at Dexus. In FY21, we measured employee engagement through two pulse surveys, in October and June 2021, which helped us to:

- Understand our people's perceived psychological safety, their experiences of change management and productivity, and ensuring they are supported while working remotely (October 2020)

- Understand our people's satisfaction with and utilisation of flexibility, sense of inclusion, and family and carer responsibilities, while assessing their understanding of the Dexus Sustainability Approach (June 2021)

The pulse surveys returned an average employee Net Promoter Score (NPS) of +43, a decrease from +61 in FY20 but remaining above our target of +40. Our people told us they experienced an inclusive culture; they have felt supported during the COVID-19 pandemic and that they are aligned to the Dexus Sustainability Approach.

Throughout the year, we remained attentive to health and safety challenges arising from the COVID-19 pandemic, including supporting the mental health of our people through training programs (see page 28) and other wellbeing initiatives (see pages 32–33).



Living our values

Our purpose of creating spaces where people thrive is supported by our organisational values of openness and trust, integrity, and empowerment. Each year we recognise our people who have been exemplary in embodying our values and bringing our culture to life. There were four employees recognised for their commitment to living our values, including:

- **Openness and Trust** – the recipient of this award is known around the business for being authentic and genuine. Their open and honest approach to relationships enabled a mindset of continuous improvement
- **Integrity** – the recipient of this award has been committed to implementing the most thorough risk mitigation strategies to keep our customers and team as safe as possible during the COVID-19 crisis. They have guided the property team during this time and have done this with the utmost integrity
- **Empowerment** – the recipient of this award places their team at the heart of decision-making, finding every opportunity to build out team member capabilities. This individual focused on the wellbeing of their team first, prioritising resilience and connection through growing peer networks for support, collaboration, and career guidance
- **All Rounder** – the recipient of this award is a long-standing Dexus employee and received unanimous recognition for their constant display of the Dexus values. They were acknowledged for their integrity while supporting our customers through the challenges of the COVID-19 pandemic with genuine care, offering a reliable and trustworthy set of hands throughout this difficult period. They were recognised for respecting the views and opinions of their colleagues and customers.

Organisational culture inventory

Another component of our Employee Listening Strategy relates to the measurement and reporting of organisational culture indicators to deliver deeper insights into organisational behaviours and improve the effectiveness of leaders and teams. Over the past year, we reassessed our culture using the Organisational Culture Inventory, a diagnostic developed by Human Synergistics that we originally used to assess our culture in 2014.

The Organisational Culture Inventory helps to define our ideal culture based on our organisational values and identifies the extent to which our actual culture aligns with our aspirations. All Dexus employees were invited to participate in the Organisational Culture Inventory survey, which we have been using to:

- Gain clarity of the current culture
- Assess the impact of culture on employees, teams, and the organisation
- Identify factors driving this culture

An outcome of the Organisational Culture Inventory work will be to identify and agree actions required to ensure we align with our ideal culture and sustain performance.

Additional details of our Employee Listening Strategy are provided in the Sustainability Approach and Procedures component of this Sustainability Report, on page 133.

We aim to sustain an engaged, high performing workforce that is motivated to deliver on Dexus's strategy. Our Employee Listening Strategy ensures that we generate real-time feedback from the employees and continuously improve our approach to employee engagement.



Professional development



Dexus supports a range of professional development opportunities to ensure that our people are equipped with the skills necessary to do their job and enable them to grow and further develop their talents.

Dexus actively supports internal career planning, development and learning opportunities for our people and during the year, we placed internal candidates in 35% of available roles.

Mental health awareness

Maintaining the health, wellbeing and safety of our people is a priority for our business, particularly as we continue to experience uncertainty and restrictions responding to the COVID-19 pandemic. To support our employees, we launched mental health awareness training across the organisation with Heart on My Sleeve, a mental health social movement. We successfully launched two training programs, **'Real Leaders'** and **'Real Conversations'**. The objective of 'Real Leaders' was to support our leaders in identifying when someone needs help and responding empathetically, while 'Real Conversations' took this further, encouraging all employees to seek help and speak up. These initiatives were part of our Safe & Well program, which is discussed further on page 33.

Despite the challenges presented by the pandemic, we were able to launch the training in a virtual environment and implement in-person sessions before year end. During the year, 33% of our people managers took part in 'Real Leaders' training and we will continue to offer this training to our people in FY22.

Another important part of how we support mental health is by defining what good leadership means at Dexus. In December 2020, Dexus launched **Lead @ Dexus**, a program designed to equip our people with the self-awareness, motivation, and strategies to improve their leadership skills.

Lead @ Dexus was developed in collaboration with our senior executives and external leadership development specialists to articulate and align what the business expects of all our leaders. After being rolled out to our Group Management Committee in December 2020, the program is being cascaded across all levels of the organisation so that all employees can benefit from this training.

Finally, during the year we launched a Mindset Reset series with Chelsea Pottenger, an accredited Mindfulness and Meditation coach and the Founder of EQ Minds. The focus of the series was to raise awareness of employee mental health and provide Dexus's people with tools to lead a more efficient, resilient, and happy lifestyle.

Welcoming Dexus's next group of graduates

As well as empowering our managers and leaders within the business, we also want to make Dexus a place where young talent want to build their careers. This year, we again invited talented young people to take part in our Graduate Program. As part of our recruitment process, we usually invite candidates to learn more about our culture and professional opportunities at our graduate assessment centre. However, due to COVID-19 restrictions, the 2021 graduate intakes underwent a virtual introduction to the business. To assist with their onboarding, we invited graduates from the 2020 rotation to participate in a virtual panel to provide insights into their experiences during and after the graduate program.

The recruitment and onboarding of this year's graduates has reinforced our ability to attract talent in two ways. First, Dexus received the most graduate applications for its 2021 intake since starting the Program in 2015. Second, for the recruitment process, Dexus achieved a high NPS of +92 from the graduates that attended the assessment centre, with 84% providing a rating of being 'extremely satisfied' with the insight into our culture.

Our 2021 intake of graduates has brought in diverse academic training and experience. The cohort is also 75% female, helping to ensure young women view the property industry as a place for them to grow their talents and succeed. We look forward to welcoming our 2022 intake of graduates in February next year.

Case study

Educating our people on sustainability

In May 2021, Dexus delivered its annual Creating Change program to support employee understanding of our Sustainability Approach. The aim of Creating Change Week was to bring sustainability into the spotlight, showcasing the importance of making small changes to our daily routine for the wellbeing of our planet in the long term. A highlight this year was using the Creating Change platform to host our new community partner, Planet Ark, which provided a presentation on some of the projects they are currently working on with us, including:

- Developing a Workplace Engagement Program for our people and customers
- Running office community activations and fundraising events aligned to National Tree Day (see page 22) and National Recycling Week
- Identifying opportunities to support and enhance our existing activities and offering

These initiatives with Planet Ark will help us meet our Creating Change program objective to encourage our people and customers to make positive environmental changes.





Inclusion and diversity

Our approach to inclusion and diversity allows us to harness different perspectives for better decision-making, as well as providing access to the widest pool of available talent. Our people identify with a variety of different cultural and ethnic backgrounds, and we aim to build a diverse workforce that reflects our customers and communities.

Gender diversity

Dexus is proud to be included amongst a select group of Australian companies with an Employer of Choice for Gender Equality citation from the Workplace Gender Equality Agency. We earned our most recent Employer of Choice for Gender Equality citation last year and seek to maintain the citation when we are required to reapply for it in FY22. Throughout FY21, we continued to deliver programs and initiatives directed at supporting gender equality at Dexus and within our broader industry.

We are proud members of the Champions of Change Property Coalition (previously Property Male Champions of Change), a globally recognised, innovative strategy for achieving gender equality by advancing women in leadership and building inclusive workplaces.



Dexus CEO, Darren Steinberg, is a founding member of the Champions of Change Property Coalition and we continue to be active contributors to this initiative's important work.

In FY21, the coalition's 2020 Impact Report was released, detailing the actions taken on gender equality based on data contributed from more than 185 organisations operating in 155 countries. The report is one of the largest cross-sector voluntary public disclosures on gender equality measures globally and is publicly available at www.championsofchangecoalition.org.

Another initiative aimed at facilitating greater gender diversity in the industry is our Future Leaders in Property (FLIP) program. In March 2021, we launched this program to encourage the next generation of female leaders into the property industry by designing a STEM+ program for Sydney and Melbourne. The goal of this program is to increase female participation in the property industry by increasing their awareness of career pathways. Refer to the case study on page 49 for more information.

Once again, we commemorated International Women's Day across our portfolio and in our head offices through activations and sharing the experiences of women in the business. In recognition of the 2021 campaign theme '#ChooseToChallenge', we spoke to several women at Dexus about what this day and theme means to them. Our Executive General Manager, Funds Management, Deborah Coakley explained the importance of challenging yourself to step into another's shoes, and to understand their path in life. International Women's Day may be one day, but it highlights the work we do all year long to encourage more and diverse women at Dexus.

Back in 2020, we committed to achieving 40% female, 40% male, and 20% either/other representation (the 40:40:20 target) across senior and executive management roles by the end of FY21. At 30 June 2021, there was 35% female representation across senior and executive management roles. We are mindful that this percentage has not met our target, and we continue to put in place initiatives to increase female representation at these levels of our organisation. We remain committed to advancing gender equality and intend to achieve the 40:40:20 target at senior and executive management levels by the end of FY23.

Supporting the working parents of Dexus

Dexus has continued to evolve its policies to support working parents, offering competitive entitlements to assist in the attraction and retention of a diverse workforce.

In March 2021, we advised our people of updates to the entitlements under the Dexus Parental Leave Policy, which came into effect on 1 July 2021. These included:

16 weeks

paid primary carer leave for all permanent employees

4 weeks

paid secondary carer leave for all permanent employees

- Paid parental leave in the event of stillbirth
- Up to 10 days paid leave for special pregnancy leave in case of miscarriage
- Flexibility for parental leave to be taken up to 18 months following the date of birth, adoption, or surrogacy of a child

In August 2020, this policy was updated to remove the minimum employment period eligibility requirement for all parents. This means that employees are now entitled to access Parental Leave entitlements from day one of employment with Dexus.

One of the objectives of our Parental Leave Policy is to support gender equality by encouraging males to take paid primary carer leave. As we have evolved our policy we have seen a 44% increase in men taking parental leave in FY21.

More information on our Parental Leave Policy, in the context of our broader flexibility, gender diversity, and people-related policies and procedures, is provided on page 136 of the Sustainability Approach and Procedures component of this Sustainability Report.

Diversity beyond gender

Dexus is committed to building a culturally inclusive workplace and continues to track the diversity of our workforce across a range of factors including cultural background, country of origin, sexual orientation, gender identity and age. Diversity statistics for our workforce are provided from page 72.

A key development in FY21 was the development of our Reflect Reconciliation Plan (RAP) for endorsement by Reconciliation Australia. The development of a Reflect RAP will formalise our activities with First Nations people and enable our employees to learn, understand and connect with First Nations people and their history. It will also provide a framework to promote opportunities for sustainable business growth, career development and economic participation for First Nations people within the property industry.

The Social Impact Working Group (see page 42) has formed the Dexus RAP Working Group to support the implementation of our Reflect RAP. Our approach will be to ensure our goals are simple, achievable, and focused on having a positive impact on our employees and our customers, investors, partners, and suppliers. This will include developing a First Nations peoples' employment plan within our organisation, including exploring mutually beneficial employment programs or arrangements with our partners.

We also continued our work supporting LGBTI+ inclusion in our workplace and across the industry more broadly. Led by our LGBTI+ employee network, TRIBE, we implemented initiatives and celebrated LGBTI+ events and causes throughout the year and were recognised as a Bronze Employer by the Australian Workplace Equality Index (see case study on this page).



Case study

Dexus recognised for LGBTI+ inclusion

Dexus is creating an inclusive and diverse workplace for all people and this year gained recognition for its work in supporting LGBTI+ inclusion in the workplace.

Established in August 2019, TRIBE is Dexus's network which promotes inclusion for LGBTI+ people across the business, ensuring that people feel safe to bring their true self to work. This year the network had a focus on increasing ally participation and grew membership to over 150 active members across Dexus's national workforce, representing both people who identify as LGBTI+ and allies.

To raise awareness, throughout the year TRIBE participated in events including Pride and Mardi Gras events in Sydney, Brisbane, Melbourne and Perth, and days of significance including Wear It Purple Day, Fair Day and IDAHOBIT Day. Dexus also hosted panel discussions with guest speakers on how to influence further change in the workplace.

TRIBE progressed several initiatives including reviewing Dexus policies and procedures to ensure inclusion is reflected, creating a guide on LGBTI+ inclusive language, and delivering a 'Kick the Slur' campaign to draw attention to inadvertent discriminatory language and eliminate language bias.

Acknowledging the work Dexus is undertaking in promoting LGBTI+ inclusion, Dexus was recognised as a 2021 Bronze Employer by the Australian Workplace Equality Index, the definitive national benchmark on LGBTI+ workplace inclusion which drives best practice across Australian organisations and sets a comparative benchmark.

This recognition is testament to the progress Dexus has made towards LGBTI+ inclusion within its diversity and inclusion strategy. It also further informs the strategic work being undertaken to enhance inclusivity across the group's operations.





Employee health and wellbeing

Dexus prioritises health and safety across its workplaces and supports the physical, mental, financial, and work wellbeing of its people. Led by our Workplace Health, Safety and Environment Committee, which met four times in FY21, Dexus achieved a safety audit score of 100% across its corporate and building management office workspaces and Dexus Place workspaces.



Our Group Scorecard supports health and safety through maintaining commitments to a safety culture across our business. Our goal is a 'no harm', safe work environment with zero fatalities, and in FY21 we recorded zero fatalities. Health and safety statistics for the Dexus workforce are provided on page 77.

Every year, Dexus issues Safety Awards to employees who demonstrate a strong commitment to safety in our workplace and at our properties. Some of the winners in FY21 focused on:

- Ensuring our properties were COVIDSafe for our customers through the efficient rollout of restrictions in the food court and common areas at QV Melbourne, and proactively identifying emerging issues relating to maintaining physical distancing
- Identifying safety issues outside of routine safety checks at our retail centres and instigating mitigation measures
- Processing large volumes of customer enquiries relating to COVID-19 restrictions, ensuring the correct advice and protocols were met in line with the Dexus risk framework
- Providing personal attention to a customer at Deepwater Plaza, Woy Woy, who was distressed due to the pressures of the COVID-19 pandemic
- Ensuring the safety of our people and visitors during the fit-out of our new collaborative space in our Sydney head office

Dexus's Safe & Well program guides how we support the health and wellbeing of our people. More information on Safe & Well is provided in the case study below and in the Sustainability Approach and Procedures component of this Sustainability Report at page 137. Other ways we provided health and wellbeing support this year include:

- Supporting our people through our Employee Assistance Program, which provides access to health and wellbeing resources including coaching on anything from mental health to relationships to exercise and sleep
- Participating in R U OK? Day by making helpful information readily available to our people and running a webinar by Mitch Wallis, the founder of Heart On My Sleeve
- Maintaining our COVIDSafe workplace status according to NSW government standards, ensuring we comply with strict hygiene and safety standards, physical distancing protocols, and can contact trace if necessary to look after our people

Case study

Progressing our Safe & Well program

Dexus's Safe & Well Program provides our people with what they need to develop and maintain a healthy level of wellbeing throughout the year.

The Safe & Well program focuses on the pillars of mental, physical, financial and work wellbeing as the key to a thriving workforce.

In FY21, Dexus progressed the program through several key initiatives including:

- Launching 'Real Leaders', mental health awareness training which was designed to support leaders in identifying when someone needs help and how to respond empathetically. Importantly, the participants learnt how to move from listening to active support

Launching 'Real Conversations', which is available to all employees and was developed to equip Dexus's people with the skills to seek help and speak up, and to support their peers who may be facing challenges. The main areas of learning included:

- Redefining "normal" to change external and internal stigmas
- Understanding what contributes to poor mental wellbeing
- Understanding where to get help in the workplace and at home, and how to speak up to someone when facing an issue
- Learning the core foundations of listening, supporting, and guiding people to safety

- To promote healthy approaches, Dexus launched the Mindset Reset series with Chelsea Pottenger, an accredited Mindfulness and Meditation coach. The series provided Dexus's people with tools to lead a more resilient lifestyle, as well as techniques on how to develop positive, daily habits
- To support physical wellbeing, Dexus participated in STEPtember, which is Australia's leading health and wellness fundraising event where for the month of September participants have a target of achieving 10,000 steps per day. STEPtember raises funds for the Cerebral Palsy Alliance and Dexus encouraged its people and national portfolio of customers to get involved. Over 500 employees and customers participated in the challenge, bringing Dexus's collective count to more than 119 million steps

As part of the Safe & Well program and our annual commitment to health and safety, Dexus also offered flu vaccination vouchers and skin checks to all employees.





Future Enabled Customers and Strong Communities

Building a strong network of customers, communities and suppliers, who support Dexus and are positively impacted by Dexus.



In this section

Future Enabled Customers	35
Strong Communities	41
Supply chain management	50

Learn more

More information on our approach to customer engagement and experience, community contribution, and supply chain management is provided in the Sustainability Approach and Procedures on pages 140–157.

Dexus's capacity to create value depends on how well we support our customers' success, the strength of our local communities and the capabilities of our suppliers.

Our Future Enabled Customers and Strong Communities objective recognises the importance of listening to our customers, supporting the local communities where we operate, and extending the impact of our sustainability approach down our supply chain.

We understand how high-performing workspaces enhances employee productivity and drives business success. We focus on maintaining high levels of customer satisfaction by listening to our customers and understanding their needs. We aim to meet these needs by providing products and services that enable our customers to succeed today and into the future.

The relationships we build with local communities are important, as these communities visit our properties and deliver the activity and vibrancy that makes them leading destinations. We support our retail centres to act as community hubs, providing the gathering space essential for community cohesion and wellbeing.

Our success would not be possible without the support of our many suppliers, which includes facility management partners, operational service providers, construction companies, and providers of building materials, office equipment and services such as IT and marketing.

We partner with our suppliers to achieve operational efficiencies, enhance customer amenity and deliver a strong sustainability performance. We prioritise worker health and safety and assist our suppliers in managing other risks in our supply chain, including modern slavery risks.



Future Enabled Customers and Strong Communities

+46

Customer Net Promoter Score

>4,800

Customers

>\$0.8m

Value of community contribution

1,948

Supplier partnerships

Future Enabled Customers

Delivering FY21 Future Enabled Customers commitments

Each year, we set commitments that indicate how we will deliver on our objective of Future Enabled Customers.

FY21 Commitment	Status	FY21 Progress
Maintain office and industrial customer Net Promoter Score at or above +40	●	Achieved a customer Net Promoter Score of +46 (FY20: +50)
Support our customers' future workspace needs by delivering additional flexible space solutions	●	Evolved the Dexus Place and SuiteX offer including virtual office services
Implement initiatives associated with our healthy building strategy	●	Progressed the implementation of our healthy building initiatives, including air quality enhancements and technological innovations
KEY ● Achieved ○ Not achieved ○ Progressed		



FY22 Commitments

- > Maintain a Customer Net Promoter Score for the Office portfolio at or above +40
- > Continue to support customers with their future workspace needs
- > Harness technology and innovation to improve customer experience
- > Continue to support customer wellbeing by delivering initiatives such as a WELL health and safety portfolio certification

We focus on maintaining high levels of customer satisfaction by listening to our customers and understanding their needs.



Customer satisfaction and feedback

We know that our customers are more likely to be satisfied when we listen to their concerns and cater for their needs.

We design workspaces with customer productivity in mind and offer a range of supporting products and services that are aimed at enhancing the performance and wellbeing of our diverse customer base.

This year, our annual customer survey across our office and industrial portfolios returned a customer Net Promoter Score (NPS) of +46. This was a slight decrease on last year's result of +50 but remained above our target of +40. Average satisfaction with property management was 8.6/10, consistent with FY20.

Some of the key factors contributing to customer NPS results this year included:

- Customer connection and communication with the property management team, including property managers, concierge, and facility managers
- The level of support and communication provided through the COVID-19 pandemic
- Stability of property management teams, with higher levels of satisfaction generally associated with properties where teams experienced no changes over the year
- Building amenities, such as end-of-trip facilities, and activations for holidays such as Easter, ANZAC Day, and Christmas

Our customers told us they enjoyed the Dexu experience and provided feedback that can be considered as we continuously enhance our offering. Some of our customers' favourite activations that helped them thrive throughout FY21 include:

- Activities that supported important causes such as our Foodbank drive (page 44 contains more information on our community contribution)
- Networking events and activations marking moments of significance (e.g., National Reconciliation Week, Remembrance Day and Pride and Mardi Gras celebrations) to strengthen the communities within our properties
- Offers and giveaways provided by Dexu retailers
- Health and wellness classes including remote classes and on-demand workouts during the COVID-19 pandemic

We work closely with customers to improve their sustainability awareness and performance and have embedded green leasing within our precedent lease and encourage customers to collaborate with us on integrating sustainability within their workspaces. In FY21, 96% of new customer leases included a green lease clause.

This year, we introduced a sustainability focus into the anniversary gifts that we provide to office and industrial customers to celebrate their lease commencement. Instead of providing a physical gift, we are now partnering with WWF-Australia to plant trees on behalf of each customer. The gifted trees are planted as part of the restoration of a 15-hectare area in the unprotected lower lands of the iconic Daintree Rainforest, assisting native species such as the Flying Fox and Cassowary by providing vital habitat.

The initiative aligns with the Enriched Environment objective of our Sustainability Approach and provides significant time and cost savings for the business. Customers can view the land where the gifted trees are planted using Google Earth, and customer feedback received on this initiative has been very positive.



Case study

Enhancing Dexus's customer offer through workspace insights hub

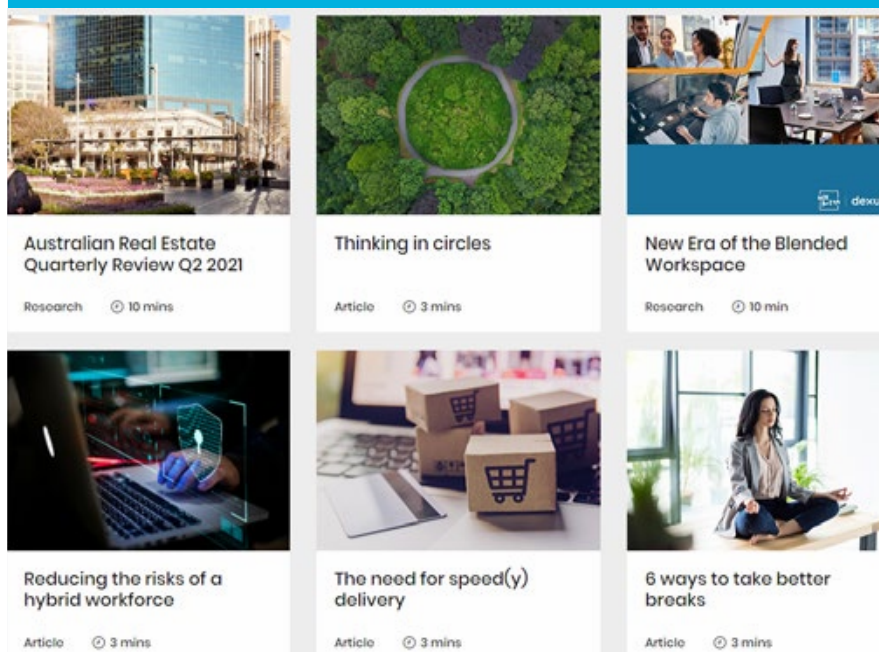
Retailer engagement

Since 2018, we have conducted retailer engagement surveys to better understand satisfaction levels across our managed retail portfolio. In FY21, we achieved a retailer NPS of +24, which is a decrease from +39 in FY20. Despite the decrease in NPS, satisfaction in relation to Dexus management increased to 93% this year, up from 84% in FY20.

2021 was a difficult year for many retailers as they dealt with restrictions to trading imposed as a result of the COVID-19 pandemic. Throughout the pandemic, our retail management team continued to support our retailers on the ground to manage the implementation of restrictions. Regular retailer engagement ensured all retailers were informed of the changing situation. The health, wellbeing and safety of our employees, retailers, shoppers and customers has remained the team's highest priority.

Recognising this is a challenging period for many retailers across the group, we continued to prioritise rent relief consistent with the government's Code of Conduct to support the viability of our small business customers who are bearing the brunt of the crisis.

We also extended our Employee Assistance Program (EAP) – a work-based intervention program designed to enhance the emotional and psychological wellbeing of employees – to our customers most impacted by the pandemic. More information on our EAP is described in the Sustainability Approach and Procedures component of this Sustainability Report on page 137.



Dexus's customer insights hub, Prism, has been providing customers with insightful content since its launch in 2017.

Prism provides workspace insights on trending topics impacting Australian workplaces with research-backed content including articles, research papers, podcasts and videos.

During the year, the content on Prism was shaped by four pillars that aligned with Dexus's purpose of creating spaces where people thrive: office of the future, the environment, community, and health and wellness.

Prism has grown its base to 1,146 active subscribers and during FY21, 21 articles were published, achieving 15,053 article views.

Prism is a key plank in Dexus's customer offer helping position Dexus as a thought leader on workspace insights.

Visit Prism at www.dexus.com/discover-dexus/prism.

1,146

Active Prism subscribers

15,053

Article views on Prism during FY21



Supporting future workspace needs

Deciding what our customers will require to create an optimal workplace in a post-pandemic environment was an area of focus for Six Ideas by Dexus (Six Ideas), the workplace and change consultancy division of Dexus.

In early 2020, Six Ideas conducted an extensive survey to understand the future of work. The survey engaged 7,647 respondents from 368 organisations across 28 industries on how the pandemic has changed workplace practices.

Building on last year's research, the data revealed that the favoured workplace model was a 'blended workplace', one which is a blend of both physical and virtual work environments. In a blended workplace, Six Ideas predict that less space will be dedicated to individuals and more spaces created for knowledge sharing, collaboration and socialising. It will incorporate sophisticated video-conferencing facilities and remote working technologies, real-time booking and locating systems, advanced noise suppression and improved acoustics.

The survey outcomes suggest organisational culture will shift as well. The research found customers are looking to create more balanced, diverse work settings and greater expression of organisational identity and culture.

Considering this research, we are working alongside our customers to help them create and experiment with new ways of working in our office spaces. As Six Ideas' research revealed, employers who embrace the blended workplace will be at a competitive advantage regarding talent attraction and retention.

A specific example of how we are helping our customers who want more flexible business operations is through the Dexus Place Virtual Office, which provides small and medium businesses working remotely with similar benefits as those that occupy physical space at Dexus Place. This includes giving our customers access to a premium business address, landline phone number and team support without committing to a dedicated office space, in addition to providing access to Dexus Place meeting rooms, business lounges and private workspaces.

The Virtual Office offering is available at Dexus Place locations in Sydney, Melbourne, and Perth, with plans to establish this product in all Dexus Place locations across Australia.

We are working alongside our customers to help them create and experiment with new ways of working in our office spaces.

7,647

Respondents surveyed from 368 organisations across 28 industries on how the pandemic has changed workplace practices in FY20





Delivering healthy buildings initiatives

Dexus is aware of the positive and negative impacts that buildings can have on our customers' health and wellbeing. Our healthy buildings initiatives focus on developing and operating buildings that deliver high quality, productive working environments that maximise the customer experience. Within this approach, we have two strategic priorities: providing healthy spaces and services efficiency.

In FY21, we progressed several healthy buildings initiatives, including trialling new technologies at one of our premium office buildings in Sydney. These included installing an occupancy management system to better assist customers to plan their usage of the end-of-trip facilities, while continuing to ensure compliance with occupancy limits within the building's COVIDSafe plan.

This new technology tracks usage patterns over time, with the ability to communicate to users when capacity is reached and when it is safe to enter, as well as monitoring the cleaning cycles within the facilities.

We also trialled a suite of complementary technologies to enhance thermal comfort and indoor air quality. For example, we upgraded the air filtration systems in the building to improve the quality of the air circulated within spaces, removing harmful particles.

We are currently testing the efficacy of these new systems alongside a peer review of these new technologies by independent science groups, including The University of Sydney.

Customers are increasingly demanding spaces that enhance the wellbeing and productivity of their employees and in response we are focusing on offering services that help differentiate Dexus from its peers. Having early access to emerging technology is why we are investing in Taronga Ventures and their RealTechX Growth Program.

Taronga Ventures is Asia's leading real estate technology investment manager and our investment provides us with early exposure to emerging global technology and innovation trends. We are also using the research conducted by Six Ideas to help our customers with their future workspace organisational design and fitouts (see page 38).

In the coming years, we will further embed our healthy buildings initiatives into new developments and our property management activities. For FY22, we are focusing on implementing a best practice approach to managing indoor air quality, cleaning regimes and customer wellness initiatives driven by two key targets which commit us to:

- Progressively achieving WELL Health-Safety Ratings; and
- Expanding the use of NABERS Indoor Environment ratings across the portfolio.

See page 61 for more on how we benchmark and improve indoor environmental quality across our portfolio.

Simplifying the online customer experience

In addition to evolving the nature of the workspaces we provide, we are also improving the online customer experience. This year, Dexus's website, (www.dexus.com), was recognised as one of Australia's top 10 innovations in the property, construction, and transport category by AFR BOSS. The website is an easy-to-use leasing platform that allows customers to select their office, industrial, retail and health leasing requirements based on location, number of people and preferred features.

The website's objective is to provide more relevant and personalised search recommendations to significantly improve the way current and prospective customers can search for space. This recognition by AFR BOSS helps to validate the efforts we make to be at the forefront of customer innovation.





Case study

Our Next Generation Buildings

Considering our customers' technology needs commences long before any customers open the doors to their tenancy for the first time. Some of our current major developments, such as Waterfront Brisbane and Central Place Sydney, are in concept design with a six-year construction timeline. These multi-year timeframes present challenges regarding technological investment because of the rapidly changing nature of building technology.

To stay ahead, we continue to develop and evolve our technology blueprint from lessons learnt, as well as through leveraging global research and input from our partners. Our focus is on strategic changes for procurement and deployment of technologies to maximise building and environmental efficiency and create value for all stakeholders. Through user journey mapping, we can understand how our customers will use technology and build a technology roadmap across the long construction timeframes.

Through these methods, we can ensure there is a strong return on investment for Dexu and its customers when leveraging technology to enhance sustainability and comfort across our large-scale developments. More information on our building technology strategy is provided in the Sustainability Approach and Procedures component of this Sustainability Report on page 142.



Our new Social Impact Strategic Framework will ensure that our community initiatives are directed toward those causes where we can have the greatest impact.

Strong Communities

Delivering FY21 Strong Communities commitments

Each year, we set commitments that indicate how we will deliver on our objective of Strong Communities.

FY21 Commitment	Status	FY21 Progress
Establish a cross-functional internal Social Impact Working Group focused on driving social initiatives	●	Established a Social Impact Working Group (SIWG) to drive social initiatives across four key areas including health and wellness, strong communities, diversity and inclusion and the environment
Develop a community contribution strategy	●	Developed a Social Impact Strategic Framework, established strategic community partnerships with the Black Dog Institute and Planet Ark, and established a tiered community partnership model
Progress the development of an indigenous cultural awareness program	○	Submitted inaugural Reflect Reconciliation Action Plan to Reconciliation Australia for consultation, outlining proposed actions to be implemented during FY22
Expand our STEM+ program at new development sites across the portfolio	●	Expanded the STEM+ partnership through launch of the Future Leaders in Property (FLIP) program at the developments at 25 Martin Place, Sydney and the Melbourne Connect Precinct
KEY ● Achieved ○ Not achieved ○ Progressed		

Dexus's capacity to create value is influenced by the strength of its relationships with the communities in which it operates.

With more than 150 million people visiting our properties every year, we are in a unique position to be able to have a positive social impact in the communities in which we operate and contribute to important issues where we can make a difference.



FY22 Commitments

- > Support the wellbeing of our people and customers through implementing initiatives aligned to corporate partnership with the Black Dog Institute
- > Influence the sustainability practices of our people and customers through implementing an engagement program with corporate partner Planet Ark
- > Progress Dexus's reconciliation efforts with First Nations peoples through implementing the Reflect Reconciliation Action Plan



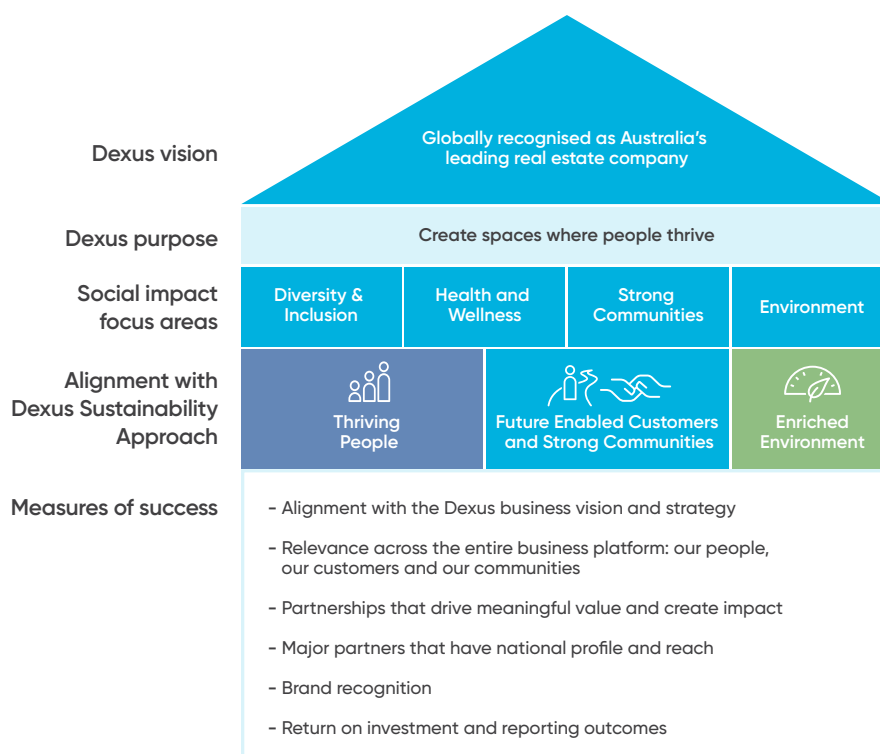


Establishment of dedicated Working Group and Social Impact Strategic Framework

In July 2020, we formed the Dexus Social Impact Working Group (SIWG), which is tasked with implementing a social impact strategy for the business.

Over the year, the SIWG followed through on Dexus's commitment to develop a community contribution strategy that would provide a framework for community partnerships and contributions that aligned with the Dexus Sustainability Approach. Launched in April 2021, our Social Impact Strategic Framework (Framework) is designed to streamline community activities and maximise the value created for Dexus and its surrounding communities.

Social Impact Strategic Framework



This year Dexus established corporate partnerships with the Black Dog Institute and Planet Ark. Working together we can extend the positive impacts of our Sustainability Approach to our people, our customers, and communities in which we operate.

Our new community partnerships

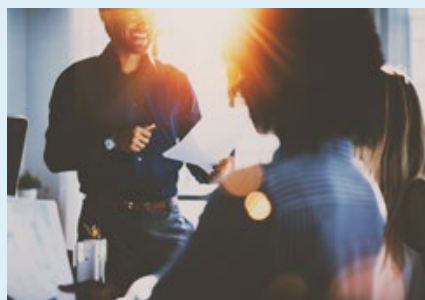
Under the Framework, the SIWG identified the key causes for Dexus to support and welcomed two new major community partners, the Black Dog Institute and Planet Ark.

These partnerships complement the Dexus Sustainability Approach objectives of Thriving People, Future Enabled Customers, Strong Communities and Enriched Environment and will maximise the value created for Dexus and the communities in which it operates, while delivering positive outcomes for our people and customers.

Under the new Framework, the SIWG also established a tiered partnership model based on how relevant the organisation is to the Dexus Sustainability Approach. The model is broken down into:

- Tier 1: Major corporate partnerships
- Tier 2: Local asset initiatives
- Tier 3: Industry programs
- Tier 4: Employee and customer community initiatives

What we contribute is determined by the tier and can include sponsorships, in-kind contributions, workplace giving, employee volunteering, participation and donations, mentoring and networking, and brand recognition. By applying this model, we can effectively focus our time and resources into areas where we can make the biggest social impact as a business.



The Black Dog Institute is the only research institution in Australia dedicated to mental health and suicide prevention with a national focus across all age demographics.

Dexus will work with the Black Dog Institute to support its people on the importance of mental health and wellbeing.

These include:

- Evolving mental health awareness and education programs to support Dexus's people in line with its Safe & Well program
- Engaging with the communities in which Dexus operates through targeted and meaningful activations across its retail, industrial and office portfolios
- Aligning Black Dog Institute's extensive research to the Dexus Sustainability Approach and utilising it to support its people and customers across various initiatives
- Creating opportunities for Dexus's people to contribute through volunteering initiatives



Planet Ark is one of Australia's leading environmental behaviour change organisations, with a focus on working collaboratively and positively within communities, the government, and businesses.

Dexus will work with Planet Ark to introduce programs and initiatives that further educate and empower its people and customers on environmental sustainability aimed at resource reduction and recycling.

These include:

- Educating Dexus's people and customers on environmental sustainability topics, including resource reduction and recycling
- Empowering Dexus's people and customers to make positive environmental changes
- Improving Dexus buildings' environmental footprint



Community contribution

We also leverage our scale to amplify the important work of community organisations. We welcome the use of space in our office and retail properties by the community, supporting a range of community causes that deliver social impact while engaging our people and our customers.

Over the year we contributed over \$0.8 million financially and in-kind to communities across Australia through initiatives such as our retail portfolio's national community campaign that partnered with local charities, and our participation in the STEPTember challenge, where our people and customers raised much needed funds and awareness for the Cerebral Palsy Alliance. The contribution also includes funds donated to the Australian bushfire appeals, where Dexu matched employee donations dollar-for-dollar.

We also continued to actively support the viability of our small business customers most affected by the COVID-19 crisis, as a result of government imposed lockdowns, in accordance with the Australian Government National Code of Conduct. Dexu provided \$21.7 million of rent waivers in total to impacted small business customers across FY20 and FY21.

Our people take advantage of volunteering leave to contribute to community causes that matter most to them.

Strong communities

>\$0.8m

Contributed to communities across Australia in FY21

\$21.7m

Provided in rent relief to impacted small business customers during COVID-19 across FY20-FY21





Supporting cultural awareness across our communities

Aboriginal and Torres Strait Islander peoples are the first peoples of Australia each with their own culture, language, beliefs and practices, having inhabited the continent for thousands of years prior to colonisation. Reconciliation means working together to strengthen relationships between Aboriginal and Torres Strait Islander peoples and non-indigenous peoples to achieve respect, trust and equality while acknowledging the past, present and future.

During the year, Dexus took a major step forward in its role towards reconciliation with the development of a Reflect Reconciliation Action Plan (RAP), which was led by Dexus's SIWG.

A RAP is a strategic document that supports an organisation's business plan. It is certified by Reconciliation Australia, which is the lead body for reconciliation in Australia and provides organisations with a structured approach to advance reconciliation with Aboriginal and Torres Strait Islander communities.

There are four types of RAPs which an organisation can develop – Reflect, Innovate, Stretch, Elevate – each designed to suit an organisation at different stages of their reconciliation journey.

The SIWG has formed a dedicated Dexus RAP Working Group, which will progress the main objectives of the first-stage Reflect RAP within our business and ensure that we deliver a meaningful contribution to reconciliation.

A draft of our Reflect RAP has been submitted to Reconciliation Australia for a three-month feedback engagement process, where content may be refined to ensure the deliverables are achievable. We expect our Reflect RAP to be approved in the first half of FY22, where the Dexus RAP Working Group will oversee the implementation of the Reflect RAP across our business.

Our Reflect RAP will provide us with the opportunity to listen, learn, and meaningfully connect with First Nations people to better understand their contribution as the First Australians on this land where we live and work. Our Reflect RAP goes beyond community-level initiatives, supporting both employment objectives, including developing a First Nations peoples' employment plan and exploring mutually beneficial employment programs or arrangements with our partners, and procurement outcomes with Aboriginal and Torres Strait Islander people.

In addition to the progress made towards our Reflect RAP, Dexus and its assets supported cultural awareness through National Reconciliation Week programs across Australia. National Reconciliation Week 2021 marked twenty years of Reconciliation Australia, and almost three decades of Australia's formal reconciliation process. In recognition of the theme for this year's campaign, 'More than a word. Reconciliation takes action', our Customer team supported the Australian Literacy and Numeracy Foundation's (ALNF) Share-A-Book campaign where our customers' employees were invited to donate children's books in lobbies across our portfolio. The collected books were donated to Aboriginal and Torres Strait Islander communities as well as refugee and marginalised communities in regions across Australia, including Tennant Creek, Palm Island, Groote Eylandt, Kempsey and Wagga Wagga. ALNF Share-A-Book Libraries are established in local schools, pre-schools, community and language centres for community members to use free of charge.



Case study

Thank You Project unites Dexus retail communities

Over the past few years, many communities around Australia were impacted by bushfires, drought, storms, floods and the COVID-19 pandemic.

To provide support to the local communities in which it operates, Dexus ran a month-long Thank You Project community campaign at Dexus-managed shopping centres around Australia.

The Thank You Project invited shoppers and retailers to share a message of thanks on Community Appreciation Walls to acknowledge the efforts of the many essential workers in the community throughout 2020.

The Community Appreciation Walls were available at Willows Shopping Centre, Townsville; Beenleigh Marketplace in Queensland; Deepwater Plaza, Woy Woy in New South Wales; and Shepparton Marketplace in Victoria.

Volunteers, teachers, retail workers, doctors, nurses, carers, and emergency services personnel were acknowledged for their support throughout this campaign.

Each participating retail centre donated to a local community organisation in appreciation for supporting those in need during these challenging times, including:

\$5,000

Donated by Willows Shopping Centre to Aussie Helpers

\$3,000

Donated by Beenleigh Marketplace to Night Light Outreach

\$3,500

Donated by Deepwater Plaza to Woy Woy Community Health Nursing Teams

\$3,000

Donated by Shepparton Marketplace to Caroline Chisolm Society – GV Pregnancy & Family Support Services



Supporting community initiatives and causes

We regularly partner with national and local organisations to support important community causes and welcome the use of our spaces for charitable initiatives and to mark days of significance.

Following a successful partnership with **Foodbank** last year, Dexus employees and customers joined the fight to reduce hunger in Australia for the second consecutive year. Foodbank is Australia's largest food relief organisation, and we teamed up with Foodbank once again to provide support to those most in need during the Christmas period. Dexus collaborated with office management teams in New South Wales and Western Australia to set up food donation stations in the lobbies of our office buildings. Online donations were promoted in Queensland and Victoria as physical goods could not be collected in these States because of COVID-19 restrictions.

The initiative was communicated across customer portals as well as Dexus's internal channels, encouraging both Dexus employees and customers to make online donations or donate non-perishable food and long-life products. Dexus's Foodbank drive ran for three weeks, raising the equivalent of 2,928 meals for Foodbank to support those impacted by poverty over the festive period.



Case study

Willows Shopping Centre commemorates Remembrance Day



To commemorate Remembrance Day on 11 November 2020, Willows Shopping Centre in Townsville hosted a thought-provoking two-week community exhibition, presenting a range of engaging experiences.

With Townsville being a garrison city, Willows Shopping Centre delivered an experience that enabled visitors to engage with displays that showcased Australia's military history, as well as allowing the community to pay their respects.

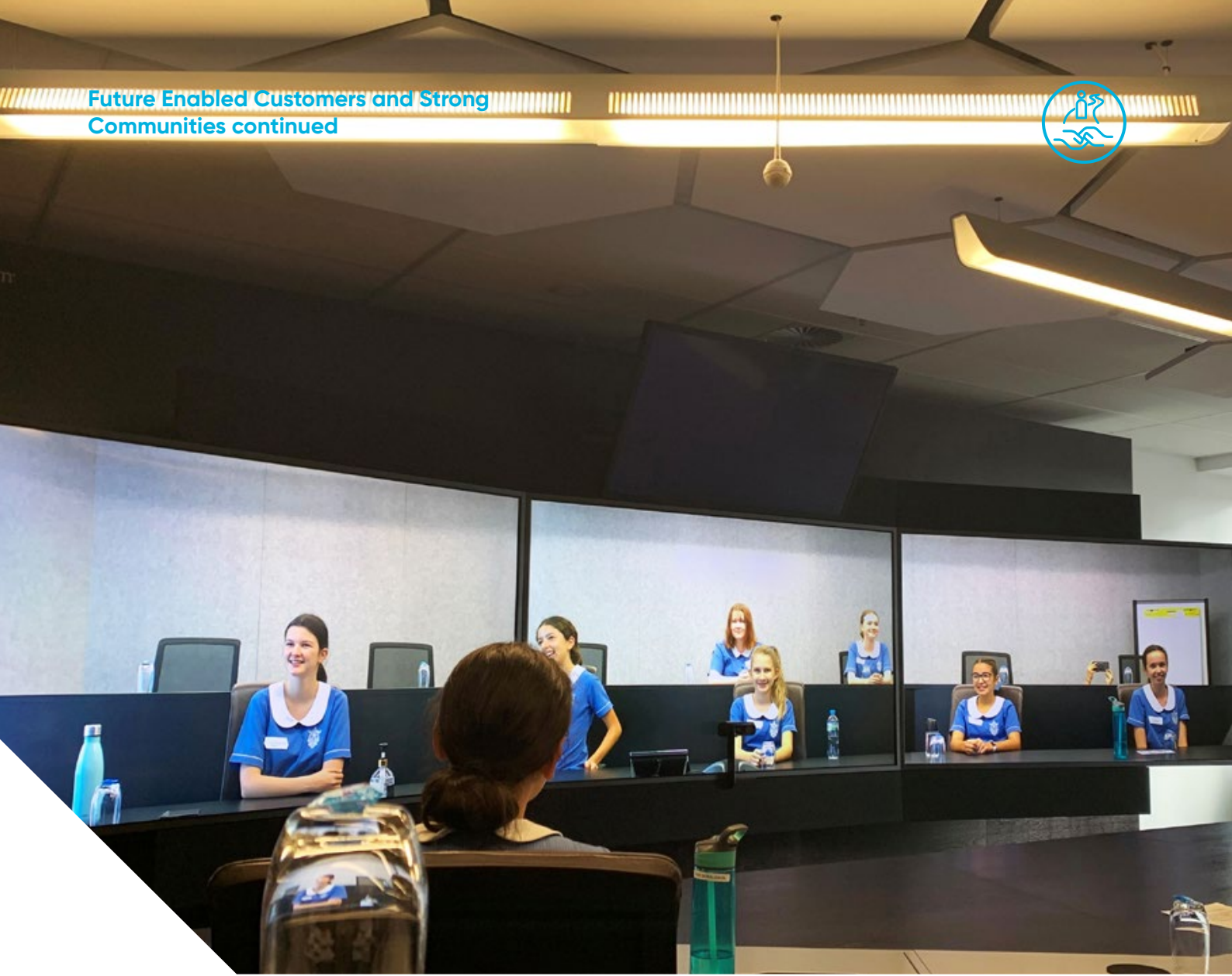
The exhibition featured poppy displays, military timelines, a pop-up museum, historic military vehicles and artwork made by local school children. The exhibition was conceptualised in response to the local community being unable to commemorate Anzac Day due to COVID-19 restrictions.

A highlight was the 'Remember to Remember' display, featuring a large plinth adorned with 2,000 hand-made poppies to represent Flanders Field, a major battle site on the Western Front during the First World War.

The display was fitted with a three metre long 'Remember to Remember' sign made from poppies that were hand-crafted by students from Ryan Catholic College, Townsville.

The Remembrance Day Community Exhibition was supported by a number of local stakeholders including Willows Shopping Centre, Army Museum North Queensland, Townsville RSL, North Queensland Historical Re-Enactment Society, Military and Historic Vehicle Club and Triple M Townsville.

This activity helped to strengthen the connection of Willows Shopping Centre with the local Townsville community, reinforcing its role in creating spaces where the community can thrive.



Supporting educational initiatives

Following the successful delivery of a STEM+ educational program for female school students at Dexus's 100 Mount Street development in North Sydney in previous years, we committed to roll out the initiative to additional development sites in FY21.

This led to the launch of the Future Leaders in Property (FLIP) program in FY21 at 25 Martin Place, Sydney, and the Melbourne Connect Precinct. The case study on the opposite page provides more detail on the FLIP program and its community outcomes.

During the year, we also partnered with the University of Technology Sydney (UTS) to run an initiative with students as part of their Communications course to address a challenge faced by the business. Using Dexus Place as a case study, the students were tasked with developing an integrated 12-month communications strategy to support the launch of a new Dexus Place facility. The project brief was to target post-pandemic market demands surrounding safe, flexible and agile workspaces. As part of the brief, the students were required to reconnect with existing customers, increase brand awareness and attract new leads. They also had to address evolving customer needs and current market trends, including greater demand for flexibility in a post COVID-19 market.

This exercise gave students an opportunity to apply the skills learnt in their degree and acquire industry experience to support future employment prospects. Students benefited from mentoring and practical training, while Dexus leveraged an opportunity to collaborate with UTS on new ways to drive innovation and how businesses respond to changing market needs.

Following the success of initiatives like the FLIP program and our UTS collaboration, we will continue to look for opportunities to collaborate with the education sector to engage with students to drive awareness of the property industry and our role in driving sustainable development.

Case study

Supporting the next generation of female leaders in property

Part of Dexus's commitment to achieving gender equality is supporting the next generation of female leaders in the property sector. In line with this, Dexus launched the Future Leaders in Property (FLIP) program in FY21.

This year-long program was designed in collaboration with an organisation that creates programs for schools looking to inspire, challenge and shape career plans. FLIP provided Year 10 students with on-the-ground experience across the Dexus platform, while promoting the STEM+ curriculum. It aims to raise awareness of the career opportunities available within the property industry, highlighting the existing unique pathways of entry.

The program was launched in Sydney and Melbourne involving 83 female high school students from Monte Sant' Angelo Mercy College, SCEGGS Darlinghurst, and St Scholastica's College in Sydney, and St Catherine's School in Melbourne. The key elements of the program included listening to panel discussions comprising members of Dexus's leadership team, conducting site tours of Dexus properties, and participating in interactive group sessions and team building exercises.

As part of the Sydney program, students were shown Dexus's retail redevelopment at 25 Martin Place, where they heard from Dexus's all-female project leadership team working across property management, leasing, development management, architecture, construction, marketing, and analytics.

In Melbourne, students from St Catherine's School were hosted at the new Melbourne Connect Precinct, home to the new workspace of the University of Melbourne's Faculty of Engineering and Information Technology. Students were taken on a tour of the precinct and learnt about sustainability and innovation in the property industry.

With the success of the program in Sydney and Melbourne, it is anticipated that the program will also be rolled out in Brisbane in FY22.





Supply Chain Management

Our capacity to create value depends on strong working relationships with capable suppliers of products and services. Our supply chain also extends our economic impact, through our procurement spend and associated job creation.

Supplier engagement on sustainability

Dexus seeks to build long-term relationships with its suppliers, identifying partners that present strong alignment of interests and enthusiasm for contributing to the objectives of the Dexus Sustainability Approach.

Each year, we issue a supplier sustainability questionnaire to key suppliers. This year, we included new questions focused on understanding our suppliers' approaches to inclusion and diversity. We discovered that 51% of suppliers who participated have a RAP in place or plan to introduce one in 12 months. Furthermore, 35% of respondents said they have a gender diversity target or program in place.

The supplier performance management framework that we introduced in 2020 includes elements that focus on indigenous workforce engagement and gender diversity targets. We will continue to track supplier alignment with the Dexus Sustainability Approach and support them to extend our sustainability objectives down the supply chain.



FY22 Commitments

- > Require our design consultants to consider modern slavery in the supply chain of the materials and products they specify to be used in development projects, and advocate for industry change by encouraging peers to adopt the same approach
- > Conduct assessments on key Tier 2 services suppliers
- > Extend our supply chain mapping to other geographies beyond Australia

Delivering FY21 Supply Chain commitments

FY21 Commitment	Status	FY21 Progress
Develop a supplier risk rating tool for use by procurement teams to enhance understanding of ESG risks	●	Undertook an extensive supplier risk mapping exercise across 1,731 suppliers to identify high-risk suppliers by industry and allocate risk ratings across Dexus's Tier 1 supply chain
KEY ● Achieved ○ Not achieved ○ Progressed		

Supplier engagement

Every year, we depend on our large network of suppliers to progress our development pipeline and manage our properties efficiently. This includes providing cleaning, maintenance or security services at our properties, or through partnerships with suppliers to deliver elements of our customer offer, such as wellbeing service providers.

Supplier engagement on modern slavery risk

Since the commencement of the Modern Slavery Act 2018, Dexus has welcomed the increased interest from its investors, customers and suppliers about how we are managing modern slavery risk across our operations and supply chain. We have publicly lodged our 2021 Modern Slavery Statement with the Australian Government, which is also available on the Dexus website.

Our Anti-Modern Slavery Working Group is responsible for promoting a culture of best practice and continuous improvement as well as the development and oversight of strategy and operational initiatives relating to modern slavery. During the year, the group oversaw a number of activities across each dimension of our modern slavery management framework.

These included:

- Undertaking an extensive risk mapping exercise across our supplier base to identify the key suppliers that presented the highest risks
- Enhancing our procurement guidelines and implementing a reporting tool which will assist in conducting regular supplier risk assessments
- Installing refreshed modern slavery awareness posters with QR codes enabling the information to be interpreted in different languages and targeting the individual worker
- Creating a framework to address any grievances within our supply chains
- Enhancing training for our suppliers' workforces with the implementation of a modern slavery induction module at development sites and awareness training at our properties
- Working alongside key suppliers on an approach to combatting modern slavery on construction sites. The case study on page 51 provides more information on how we collaborated with a building contractor engaged at one of our developments

Learn more

More information on our Modern Slavery Management Framework is provided in our 2021 Modern Slavery Statement, which has been lodged with the Australian Government and is also publicly available on the Dexus website.



Case study

Partnering with our suppliers to combat modern slavery

Dexus partnered with Roberts Co, a builder contractor engaged on the development of the North Shore Health Hub in St Leonards, on an approach to prevent modern slavery on construction sites. During the year, Dexus and Roberts Co held workshops to share knowledge on each organisation's approach to combatting modern slavery.

Approaches to address modern slavery risks

There were common features across the organisations' approaches, including:

- Mechanisms in place to identify modern slavery
- Assessment of supply chain risks
- Alternative means of communicating effectively across a diverse workforce and supplier base

Collaboration initiatives

Through the identification of key differences in approaches, both Dexus and Roberts Co shared knowledge to enhance each other's anti-modern slavery procedures.

Site induction procedures were enhanced to include regular compulsory modern slavery induction training on contractor sign-in. Dexus's grievance procedure was shared with Roberts Co along with posters to raise awareness on who to contact if workers were a victim or they suspect someone is a victim of modern slavery. This included expanding the availability of Dexus's whistle blower service to contractor workforces.

In the procurement stream, Roberts Co has delineated the steps in their supply chain, and they are in the process of identifying the areas of greatest risk. Dexus has identified stone suppliers as a high-risk procurement category and is working with Roberts Co to gain a deeper understanding of this risk.

Next steps

Through this exercise, Dexus and Roberts Co found that there was an opportunity to identify modern slavery risks in the procurement supply chain during the architectural design process. We will require design consultants to consider modern slavery in the supply chain of the materials and products they specify to be used in development projects. This new approach will be advocated by both parties within the property industry.

Some of the differences across the organisations' approaches included:

	Dexus	Roberts Co
Risk assessment approaches	Dexus uses the PCA's Informed365 Modern Slavery due diligence tool to assess its top tier suppliers, with some of these suppliers also being required to report under the Modern Slavery Act 2018	Roberts Co adopts a risk management-based approach as most subcontractors are too small to be required to report under the Act, to assess their subcontractor workforces during the procurement stage, with sub-contractors being required to demonstrate that they have addressed the risks
Focus areas	Dexus focuses on its tier 1 suppliers, in particular the labour forces of its cleaning, security and construction supplier companies	Roberts Co identified two streams to address – its labour supply chain and its procurement supply chain
Grievance procedures	Dexus has a modern slavery grievance procedure which outlines the framework and process to be undertaken on the receipt of a grievance relating to modern slavery within its supply chain	Roberts Co has a simplified grievance procedure which was dealt with on a case-by-case basis



Enriched Environment

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



In this section

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Learn more

More information on our approach to managing environmental issues, including resource efficiency and climate change, is provided in the Sustainability Approach and Procedures on pages 158–172.

Our capacity to create value depends on the efficient use of natural capital to leave a positive legacy by maximising efficient use of resources, maintaining the value of materials we use, lowering emissions and building resilience to climate change shocks and stressors.

Buildings account for nearly one-quarter of Australia's greenhouse gas emissions, which provides both a challenge and an opportunity for us to lower our carbon footprint and reduce operating costs through initiatives that seek to consume less and source more sustainably.

We recognise the risks and opportunities that climate change presents for our business and are acting to better understand, prepare for, and respond to acute physical risks, such as damage from extreme weather and chronic risks such as heat stress.

We seek to mitigate these risks by factoring climate resilience into property management practices, maximising customer and occupant wellbeing and maintaining reliable building operations.

We have committed to achieve net zero emissions because we believe that ambitious targets lead to bold actions. This year we have brought forward our target to achieve net zero emissions to 30 June 2022, advancing our original 2030 goal by eight years.

Our net zero emissions target has been verified by the Science Based Targets initiative as being consistent with the effort required to limit global temperature increases to below 1.5°C.

Tackling our energy use and emissions makes business sense too. Ongoing emissions reduction activities help futureproof our assets and operations from risks associated with future carbon pricing and demonstrate that emissions reductions need not come at the expense of business success.

We also actively manage water and waste through building optimisation, and customer engagement and awareness programs.



Enriched Environment

5.0star

NABERS Energy average rating across our group office portfolio

4.5star

NABERS Water average rating across our group office portfolio

56%

Reduction in group office emissions intensity since FY08

31%

Of electricity sourced from on-site and offsite renewable sources in FY21 across the group managed portfolio

4.7star

NABERS Indoor Environment average rating¹ across our group office portfolio

1. NABERS Indoor Environment rating is based on 65% of Net Lettable Area coverage.

Delivering FY21 Enriched Environment commitments

Each year, we set commitments that indicate how we will deliver on our objective of Enriched Environment.

FY21 Commitment	Status	FY21 Progress
Source at least 70% of electricity from on-site and off-site renewable sources across the group's managed portfolio by FY25, consistent with our RE100 commitment to 100% renewable energy by 2030	○	Sourced 31% of the group managed portfolio's electricity consumption from renewable sources in FY21, progressing to 70% by FY25
Deliver an average 5 star NABERS Indoor Environment rating across the group office portfolio by FY25, implementing initiatives to enhance occupant health and wellbeing	○	Achieved 4.7 star average NABERS Indoor Environment rating across the group office portfolio (covering 65% of NLA)
KEY ● Achieved ○ Not achieved ○ Progressed		



Future Commitments

- > Achieve net zero emissions across the group-managed portfolio by 30 June 2022
- > Source at least 70% of electricity from on-site and off-site renewable sources across the group's managed portfolio by FY25
- > Deliver an average 5 star NABERS Indoor Environment rating across the group office portfolio by FY25, delivering initiatives to enhance occupant health and wellbeing
- > Reduce energy intensity by 10% across the managed office portfolio by FY25 against a 2019 baseline
- > Reduce water intensity by 10% across the managed office portfolio by FY25 against a 2019 baseline
- > Achieve an average 4 star NABERS waste rating by FY25 across the group office portfolio

Our focus on the environment is aligned with many of our customers' ambitions and contributes to our purpose of creating spaces where people thrive.



Bringing forward our net zero emissions target to 2022

Net zero emissions refers to achieving an overall balance between greenhouse gases emitted in operation and greenhouse gases removed from the atmosphere. Getting Dexus to net zero is an opportunity to align with changing customer sentiment and meet the increasing investor demands for low-carbon investments.

We have made great progress on our goal already and have brought forward our target to achieve net zero emissions to 30 June 2022, advancing our original 2030 goal by eight years. Accelerating our net zero ambition delivers strong climate action for our planet, enhances our vision and customer proposition for smart, sustainable workspaces and ensures we will be ready for other opportunities, including supporting our customers on their own journey.

Our commitment to deliver net zero emissions by 30 June 2022 will be achieved by:

1. Our transition to 100% renewable electricity from base building operations from July 2021, purchasing renewable energy in the form of Large-scale Generation Certificates or GreenPower

2. Continuing to invest in certified carbon offsets for our remaining emissions. We will purchase accredited nature-based offsets to account for emissions from natural gas, wastewater, refrigerants, and waste/recycling
3. Verifying we are net zero and maintaining this status through Australia's Climate Active carbon neutral program

In parallel with this transition, our focus remains on improving energy efficiency and accelerating the deployment of on-site renewables (see pages 56-57).

Transitioning to 100% renewable electricity will account for around 80% of scope 2 and 3 emissions, with the remaining 20% of scope 1 and 3 emissions to be balanced through carbon offsets.

This includes emissions for the base building sources comprising electricity, natural gas, diesel, refrigerant leakage, water and wastewater, and waste and recycling. It excludes tenant sources such as tenancy electricity.

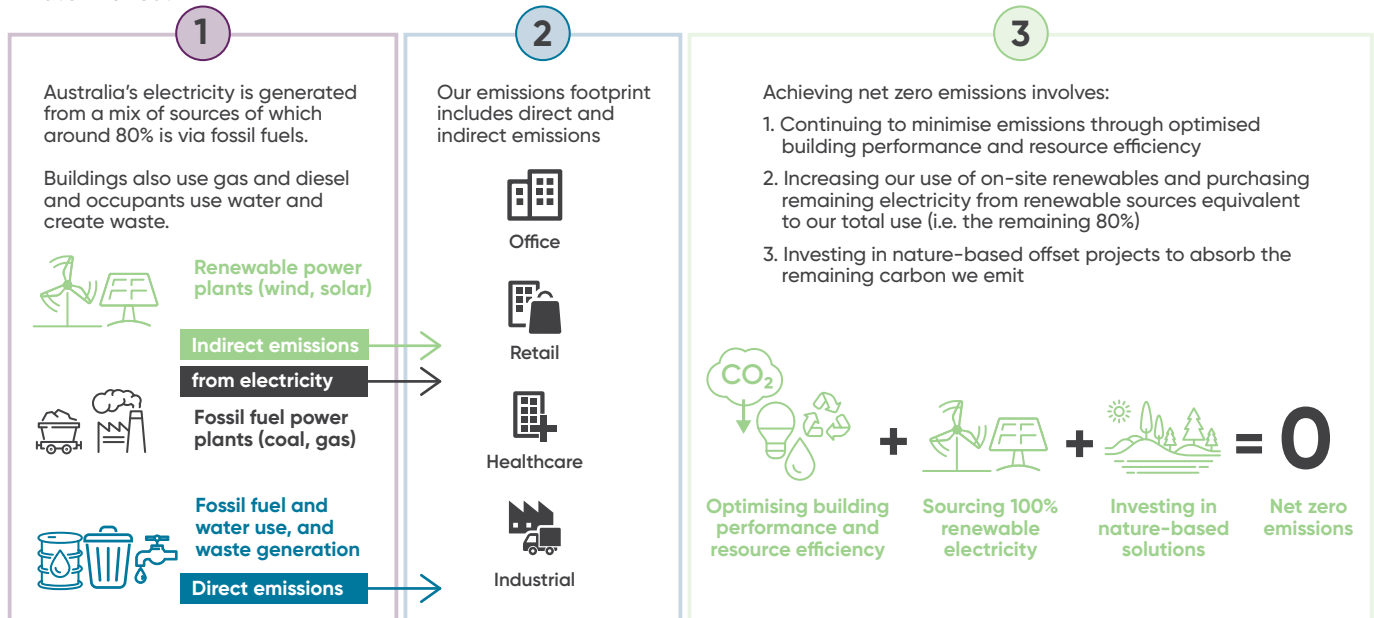
Our approach on this journey involves:

- Reducing or eliminating emissions at source through efficiency practices and emission-free energy
- Investing locally, prioritising Australian-based projects with a geographic correlation to the location of our properties to support those local communities
- Being transparent and verifiable, by investing in certified renewable energy and offset schemes, and certifying and disclosing our outcomes with independent verification
- Making a difference in Australia's transition, by supporting supply chains and the development of renewable energy and abatement projects

In line with the [Oxford Offsetting Principles](#), published by the University of Oxford, we will shift towards 'nature-based' carbon removal projects over emission reduction projects due to their ability to actively reduce atmospheric carbon dioxide. Initially we will invest in carbon removal projects such as tree planting and bush regeneration projects, which use photosynthesis to capture and sequester carbon from the atmosphere. As technologies develop, we will also transition towards projects that provide higher permanence or long-lived carbon capture.

Achieving net zero

What's involved?



Resource efficiency

Together with our strong action to rapidly transition to net zero emissions, energy efficiency at the asset level remains critical to driving long-term value as savings in energy and water consumption contribute to lower occupancy costs as well as reducing environmental impacts.

Building on the success of meeting our portfolio NABERS Energy and NABERS Water targets last year, Dexus continued to enhance the resource efficiency of its properties during FY21.

Varying occupancy levels over time and across the portfolio, due to the COVID-19 pandemic, continued to present challenges for facility management teams. To help ensure optimal building performance, our teams engaged with customers to understand occupancy trends and actively managed the building systems to optimise resource use and performance.

70%

Renewable electricity
target by FY25

RE100 signatory commitment
to sourcing

100%

renewable energy

Despite the pressures of the COVID-19 pandemic, we continued to activate capital expenditure in accordance with property-specific Strategic Improvement Plans (SIPs). Notable projects during FY21 included:

- Progressing the major lift upgrade at One Farrer Place, Sydney, which helped the property achieve a NABERS Energy rating of 5 stars
- Replacing two chillers at 25 Martin Place, Sydney with further improvements planned for FY22
- Continuing to implement projects at properties in Melbourne such as 80 Collins Street and Rialto Towers (see the case study on page 57 for more information on efficiency improvements at Rialto Towers)
- Ongoing focus on water monitoring and review of irrigation practices at 480 Queen Street, Brisbane, which helped increase the property's NABERS Water rating to 4 stars

We are mindful that some of the energy and water reductions across the portfolio through FY21 are attributable to reduced physical occupancy levels because of the COVID-19 pandemic. While we expect energy and water use to increase as occupancy levels rise, we continue to monitor broader changes to workspace use and consider how we can maintain efficiency across a range of workspace use scenarios.

Despite overall energy use reductions associated with the pandemic, one exception to the trend we have encountered has been an increase in space-heating energy use, which is predominantly provided by natural gas. Over a typical winter, the heat gain from building occupants assists with heating buildings and this year fewer occupants meant that building heating systems had to work harder to maintain conditions.

To mitigate this, operations teams isolated unoccupied floors where possible, while actively engaging with customers that were occupying their spaces to ensure that comfort conditions were being met.

COVID-19 restrictions also led to a significant reduction in water consumption across the year, as use of bathrooms and end of trip facilities are correlated to physical occupancy. This was supported by water management activities such as those at 480 Queen Street, Brisbane delivered as part of Dexus's 4 star NABERS Water program.

We further observed that despite 2020 being Australia's fourth warmest year on record, a transition in weather patterns occurred as a La Niña weather pattern was declared in October 2020. This reached moderate strength by the end of the year, subduing peak summer temperatures and delivering above-average rainfall in many regions. Our building management systems responded to this change in demand to reduce energy and water use across the 2020/21 summer.

The impact of La Niña, combined with energy efficiency activities and low occupancy delivered a 20% reduction in energy use and a 39% reduction in water use across our managed office properties during the three-month summer period.

Looking to the future, we welcomed and publicly supported the City of Sydney's proposed net zero building performance standards for new buildings and major renovations (refer page 23), which align with our internal design benchmarks and ambition for highly efficient, net zero emission buildings powered by renewables.

In line with the above performance standards and our long-term carbon positive strategy, we are investigating electrification opportunities to reduce direct emissions. We are designing out natural gas for base building services within new developments and we are investigating how to electrify several of the group's managed properties. For example, we developed a plan to transition GP Plus Health Care Centre in Adelaide to a renewable energy pathway aligned with our net zero emissions goal. This included a plan to replace gas-fired equipment and install an on-site solar PV system.

Further, at Rialto Towers we are leveraging a hydraulics upgrade program to decouple the gas-fired heating and domestic hot water systems, to electrify and decentralise the delivery of hot water to bathrooms.



A carbon neutral workspace

As a signatory to Australia's carbon neutral program, Dexus offsets greenhouse gas emissions associated with management activities conducted off site to facilitate day-to-day property operations including leasing, property management, property finance, investor relations, legal, governance and sustainability functions.

We have committed to offsetting the carbon emissions from our corporate operations, and in FY21 retired certified offsets equivalent to 2,500 tonnes CO₂-e to achieve carbon neutrality. In recognition of the increasing need for afforestation across the globe, our credit purchases focused on local and international forestry projects, helping to capture and sequester carbon from the atmosphere over the long term.

Consistent with our target to achieve net zero emissions to 30 June 2022, from next year we will extend our certification boundary to incorporate all properties where Dexus has operational control within our Climate Active carbon neutral certification. We will also commence rating individual properties under the Climate Active Carbon Neutral Standard for Buildings as a way to support our customers on their emission reduction journey.

Renewable energy

Our pathway to net zero emissions is supported by our increasing our use of renewable energy through a combination of on-site renewable energy installations and innovative ways to source renewable energy generated off site. It also contributes to the achievement of our RE100 commitment of 100% renewable energy by 2030.

In FY21 we sourced 31% of the group managed portfolio's electricity consumption from onsite and offsite renewable sources.

Increasing on-site solar installations

Dexus continued to roll out on-site solar photovoltaics (PV) across the property portfolio throughout FY21. At Deepwater Plaza, Woy Woy, we added a 253 kW car park solar array to the existing 100 kW rooftop solar system. This will reduce the demand from the grid electricity (as well as the associated costs) and enhance the shoppers' experience through the increased amenity of shaded parking. We also retrofitted an 80 kW solar array on the rooftop of 1 Bligh Street, Sydney.

We also engaged with our customers to accelerate the uptake of on-site solar energy. At Kings Square in Perth, we worked with Shell Australia on sourcing renewable energy for their premises. Through this collaboration, we engaged, Shell Energy, a subsidiary of Shell Australia, to install a 100 kW rooftop solar array which will be connected to the embedded network and is estimated to save 160 MWh of electricity per annum. The project is expected to be complete by the end of the 2021 calendar year.

This initiative enables Dexus to pilot its expanding solar installation capabilities.

We also installed solar PV at multiple facilities at our new industrial estates under development in Truganina and Ravenhall, Victoria and at Richlands, Queensland. We delivered over 2.7MW of solar PV systems for customers including Amazon, Coles, HelloFresh, Opal, ASColour, and eStore.

These completed systems form part of Dexus's On-Site Solar Renewables Program, a partnership between Dexus and our customers to unlock the 'solar value' of industrial roof space by installing rooftop solar PV systems.

Recognising the potential across our existing industrial portfolio, together with increased customer demand we are observing for on-site renewable energy across our precincts such as Quarry at Greystanes, we have advanced discussions with potential partners to develop a portfolio-wide roll out program.

This initiative would de-risk the upfront investment in solar panels on industrial facilities being developed by Dexus, leveraging Dexus's industrial scale by implementing a standard approach to drive time efficiencies and reduce our customers' electricity costs. Workshops were held during the year with customers to determine the level of interest for this initiative and Dexus commenced evaluation of technical and commercial opportunities on a site-by-site basis. Dexus will seek to secure a tier one solar provider to accelerate this initiative in FY22.

Renewable energy procurement

Dexus's renewable energy supply agreement with Red Energy to power the base building services of our NSW office portfolio through wind and solar projects was an innovative arrangement that was agreed in 2018 and continues to support the portfolio's net zero emissions ambitions.

Building on our commitment to RE100 to adopt 100% renewable energy, we progressed tenders for renewable electricity supply across our Victorian and Queensland portfolios, targeting generation source-linked Electricity Supply Agreements.

Following a competitive market engagement, we are excited to partner with CleanCo for the Queensland portfolio, which commences in July 2021, and Iberdrola Australia (formerly Infigen) for the Victoria portfolio, from July 2023. Both agreements extend to December 2030 and align with the current end to the Australia's Renewable Energy Target.

Each electricity retailer offered competitive pricing for 100% renewable electricity across base buildings, and as with our NSW agreement, these agreements comprise a blend of fixed and market-linked pricing, which helps reduce price volatility and hedge against future price increases, while remaining agile should prices remain flat or reduce.

Importantly for Dexus, we have established long-term linkage to CleanCo and Iberdrola Australia's growing portfolio of wind and solar generation assets. In Queensland, this agreement supports the Western Downs Solar Farm and Kaban Green Wind Farm projects that are currently under construction, while in Victoria, Dexus will source its renewable electricity from Iberdrola's Cherry Tree Wind Farm which is already in operation.

Within both agreements, we have built in the capability to help procure renewables on behalf of our customers.

Case study

Focus on resource efficiency improves Rialto's performance

In June 2020, Dexus established a Joint Venture with GIC to acquire a 50% interest in Rialto Towers at 525 Collins Street, Melbourne, with Dexus also acquiring property management rights. Rialto Towers is a prime-grade, 55-storey building and is one of the largest office buildings in Melbourne's CBD.

Since transitioning the property onto the Dexus platform, Dexus focused on achieving resource efficiency improvements, implementing a number of initiatives at the building including:

- Conducting after-hours energy audits to identify and reduce energy wastage at night
- Fine-tuning the building controls to improve energy and water efficiencies

- Monitoring energy and water data to identify usage patterns
- Minimising water loss as a result of works to the fire sprinklers during maintenance and fit-out
- Upgrading the lifts to improve energy efficiency

As a result of these initiatives, Rialto Towers has achieved 4.5 star NABERS Energy, 5.5 star NABERS Water, and 3.5 star NABERS Waste ratings. The 1-star improvement in its NABERS Energy rating is testament to the dedication by the facility management team and continues Rialto's recent energy efficiency track record. Rialto Towers is also on a trajectory to net zero emissions, as part of Dexus's journey to net zero by 2022.





Waste management

Our waste management program aims to go beyond waste diversion to embrace circular economy principles to promote efficient resource use and keeping materials at their highest value

Our long term aspiration is to avoid all waste being sent to landfill, yet we recognise the challenge this presents. To achieve this we need to break the view that materials have a single lifespan and in doing so, adopt circular economy principles that enables us and our value chain to have a deeper consideration of the lifecycle of materials.

Our standing goal is to reach 65% waste diversion from landfill across the group's office portfolio, however this year we are transitioning to adopt the NABERS Waste tool as our measure of performance, and have set the goal to achieve a 4 star NABERS Waste average rating across our group office portfolio by FY25.

NABERS Waste

In FY21, we expanded our uptake of the NABERS Waste rating from 28% of net lettable area in FY20 to encompass 70%, achieving a 2.7 star NABERS Waste average rating across the group office portfolio.

Over the year, we progressed several initiatives focused on enhancing operational waste management across our portfolio.

At 25 Martin Place, Sydney, the NABERS Waste rating improved to 3.5 stars from 3.0 stars as a result of waste management initiatives, including the addition of organics and paper towel waste collection streams and the appointment of an accredited Good Environmental Choice Australia waste service provider.

To further improve NABERS Waste ratings across the portfolio, we have committed to work more closely with our cleaning contractors on the delivery of the agreed scope, which includes profiling of bins and adhering to strategic waste management plans, as well as further educating our customers on recycling practices within their tenancies.

Waste management program

4.0star

NABERS Waste average rating across the group office portfolio by FY25 target

2.7star

NABERS Waste average rating¹ across the group office portfolio

1. Based on 74% NLA



Operational waste initiatives

Reducing waste creation while improving reuse and recycling across our buildings requires active collaboration between Dexu and its customers.

Through our Lease and Building guidelines, both parties commit to working together to minimise the generation of waste and maximise the diversion of waste from landfill in the base building and tenancy. Dexu's role is to implement effective waste collection to minimise the amount of waste being sent to landfill and reduce environmental impacts. We do this by partnering with our waste collection services provider, implementing a multi-stream centralised bin system to maximise stream separation, measuring and reporting waste tonnage and diversion rates in line with best practice and collaborating with customers to enhance their systems. Our customers' role is to ensure waste and recycling is correctly segregated within the tenancy and placed in the dedicated bins provided, while providing training or information to their employees.

This year marks the first full year of operation of our new cleaning and waste management contracts across our managed office portfolio. The contracts include key operational enhancements including enhanced reporting requirements for waste and customer engagement, and risk-reward performance measures provide added incentive to proactively improve waste management performance.

Scales have been installed across the portfolio to directly weigh waste by stream. Each contractor has enhanced their reporting capabilities providing more comprehensive and timely data to assist Dexu to visualise performance and highlight issues.

During the year, our cleaning and waste management contractors ran a program of customer bin profiling, where they conducted spot measurements involving the emptying, categorising, and weighing of the contents of each customer's bins. The results will be used to provide feedback to help customers place the items in the correct waste stream and identify key opportunities to introduce new streams.

These learnings have reinforced our view that there is still significant opportunity for improvement and customers will benefit from ongoing information, feedback and encouragement towards effective waste management practices. Moving forward we will leverage our new community partnership with Planet Ark to enhance our existing customer engagement and messaging to help customers make the right choices during each 'waste transaction'.

Our new goal is to achieve a 4 star NABERS Waste average by FY25 across our group office portfolio. This is equivalent to diverting 50% of operational waste from landfill, placing greater focus on the activities we can employ to consistently and systematically reduce overall volumes of materials that end up in landfill. Delivering this target will involve several initiatives including:

Reducing what we produce:

- Changing the conversation from waste to materials, to help identify the value of what we throw away
- Expanding our organics program, which has the potential to double the amount of organics recovered
- Continuing our drive to eliminate under desk bins in favour of our centralised bin system

Optimising the outcome:

- Enhancing customer education to help customers make the right choices during each 'waste transaction', and using data and insights to foster friendly competition and greater accountability
- Identifying and introducing new streams to further reduce what is thrown away

Influencing our value chain:

- Expanding our waste stewardship focus through waste facility inspections to identify best and highest material recovery outcomes, and providing information upstream to inform customers of the impacts of their practices
- Implementing circular economy principles into our procurement and encouraging customers to adopt as well

- Collaborating with our waste service providers to adopt Good Choice Environment Australia certification
- Collaborating through industry partnerships such as the Better Buildings Partnerships to standardise waste tracking, advocating for adoption of circular economy, providing our insights and learning from our peers

Leveraging our existing systems and practices, we see our new waste target as the foundation to progressing circular economy initiatives, which will be a key focus area in FY22.

Further detail on waste management and circular economy initiatives across the portfolio is provided in the case study on page 60.

Cladding recycling initiative

Over the past few years, Dexu has undertaken a program to enhance the fire safety of properties by replacing aluminium composite panel (ACP) cladding where required. To minimise the landfill waste generated by this program, we are working with a reputable partner to pilot an ACP cladding recycling initiative, the first of its kind in Australia. The initiative will recycle and repurpose polyethylene cladding materials, diverting 100% of the non-compliant cladding material from landfill.

Since January 2021, rectification cladding waste has been channelled to an Australian processing facility where the components are separated and repurposed into sustainable construction products. Repurposing these materials consumes less than 20% of the energy required to produce virgin material, creating an opportunity for significant embodied carbon and energy savings. It is an excellent example of a circular economy initiative that not only reduces the consumption of virgin material but also sustainably disposes of cladding waste from rectification works.



Case study

Integrating the circular economy into developments and the portfolio



Dexus is taking steps towards creating a more circular approach to how it manages and develops its properties, with the aim of minimising (and eventually eliminating) waste through reusing, repairing, reshaping, and recycling materials.

Achieving a circular economy within urban precincts requires collaborations between governments, suppliers, customers, and property companies like Dexus, to unlock the potential value of circular resource use for all stakeholders.

During the year, Dexus partnered with a circular economy specialist consultancy to identify practical circular economy insights and opportunities that could be integrated within the Waterfront Brisbane development, which is undergoing planning approvals and has been designed to deliver workspaces of the future. Stakeholder workshops were held involving a circular economy maturity analysis and an ideation session to review the available opportunities and understand the steps involved to adopt a circular economy approach within the procurement and management phases of the project.

Key outcomes that are being incorporated into the project include:

- Incorporating environmental features into the design of the public domain
- Adopting regenerative design and construction that aligns with circular economy principles
- Developing circular fit-out guidelines for the development
- Exploring ways to increase the lifecycle of construction materials

Continuing the partnership, Dexus and its circular economy specialist consultancy collaborated on a project for implementation in the coming year that looks at tackling the challenge of incorporating circular economy principles within property operations. This project has been awarded a grant from Sustainability Victoria's Circular Economy Business Innovation Centre.

Through this project, Dexus seeks to understand, measure, and map how materials flow through complex mixed-use corporate and retail precincts with the intention of improving the circularity of these material flows.

This project will be conducted for the retail and commercial tower operations at the Dexus co-owned and managed QV complex in Melbourne, which has over 120 retail and nine corporate customers including Woolworths, RMIT, Australia Post, and multiple Victorian State Government tenants.

Lessons learned from this project will be applied to complex materials supply chains and mixed-use precincts across Dexus nationally. Sustainability Victoria will be able to leverage key learnings and resources developed through the project to support its engagement with businesses and the wider community throughout Victoria and Australia.

Adopting circular economy practices in its developments and operations will ensure Dexus creates additional value for its assets and achieves tangible progress on the journey towards a more sustainable, efficient, and resilient future.

Indoor environment

The role buildings can play in human health and wellbeing has never been more evident or more important.

Thanks to continuing research in building science, industry tools such as NABERS Indoor Environment and the WELL Building Standard are helping us to measure performance and understand the relationship between indoor environment, human health and behaviour.

Through initiatives to enhance occupant health and wellbeing, we are targeting an average 5 star NABERS Indoor Environment (NABERS IE) rating across the group office portfolio by FY25.

Ensuring safe and productive indoor environmental conditions are core components of the healthy buildings initiatives trialled within the portfolio.

Established during the bushfire crisis of 2019-20, our Air Quality Working Group (AQWG) remained active throughout FY21, continuing to understand and respond to indoor air quality challenges.

This year, the AQWG developed and rolled out an alert protocol to forewarn customers of ambient air quality conditions. The alert protocol includes clear instructions for facility teams to take action and effectively manage indoor air quality, as well as promptly communicate important health warnings to occupants.

We also progressed our air conditioning filter upgrade program, which involves the installation of F7 grade filters, which are more effective in removing the finer particulates caused by bushfire ash. So far, the program has increased the proportion of buildings across our portfolio with F7 grade air filters or higher from 56% in July 2020 to 77% in June 2021.

With COVID-19 concerns presenting an additional challenge for indoor environments, we established a building technology group to consider emerging health and safety technologies. Two initiatives trialled within the portfolio so far include:

- Installing air quality sensors for continuous monitoring to inform customers about the air quality in their space and provide data to enhance building plant operation (see page 39 in the customer section)
- Air purification technologies to address the concerns of airborne particulates within occupied spaces, while engaging with science groups and academia to analyse and verify the results of the trial

Further installation of these technologies across the Dexus portfolio may occur, following the outcome of the trial results.

NABERS Indoor Environment

In FY21, we achieved an average 4.7 star NABERS Indoor Environment rating across 35 properties representing 65% of lettable area across the group office portfolio. This is an improvement of 0.7 star from FY20.

19 properties achieved 5 stars or above in NABERS IE. This shows that we are already on track towards achieving our target of a 5 star NABERS IE portfolio average rating by 2025.

The NABERS IE rating assesses the buildings indoor environment via a range of annual data and spot measurements. A significant factor attributed to the improvement in FY21 was derived from the lessons learned from past ratings and demonstrates the collective efforts by facility management teams and our service providers to proactively manage issues associated with ventilation, thermal comfort and plant maintenance. This focused effort was supported by better access to and use of continuous monitoring data from mechanical services providers and upgrades to higher specification air filters at selected properties.

WELL Building Standard

To further align our healthy buildings initiatives with international best practice, we are advancing our approach in relation to WELL certifications across our portfolio. The WELL Building Standard is a roadmap for creating and certifying spaces that advance human health and wellbeing, administered by the International WELL Building Institute.

The WELL Building Standard addresses ten concepts: air, water, nourishment, light, movement, thermal comfort, sound, materials, mind, and community. A building can obtain a WELL Core certification, which assesses all ten concepts, or the WELL Health-Safety Rating, which focuses on six key concepts around the health of the building and the safety response to emergencies. The WELL Health-Safety Rating was developed in 2020 specifically to respond to COVID-19.

Our next steps in leveraging the benefits of the WELL Building Standard across our portfolio include:

- Undertaking a WELL Health-Safety portfolio rating, which provides a certification baseline for all office properties
- Progressing towards a full WELL Core certification at key landmark buildings (100 Mount Street, North Sydney and 5 Martin Place, Sydney) and within current developments
- Identifying further properties for full WELL Core certification incorporating the learnings and insights from the initial ratings



Building certifications

Building certifications are an important tool for us to integrate leading practice into our developments and operation, to benchmark property performance, and to confirm our standing in the market.

Green Star

Dexus adopts the Green Building Council of Australia's (GBCA) Green Star rating tools to guide the integration of environmental and social aspects within developments and to independently verify each project's sustainability credentials in construction and operation.

During the year, the North Shore Health Hub, St Leonards development was completed and was awarded a 6 Star Green Star design review, and remains on track to deliver or exceed its 5 Star Green Star target.

In July 2021, an avocado and banana ripening facility at 7 Custom Place, Truganina was awarded a 5 Star Green Star As Built (v1.2) rating. One of the key features at this facility is the installation of a 600 kW solar PV system, which assisted in the high scoring under the energy category of this rating.

During the development process we collaborated with the GBCA through their Green Star for New Buildings early access program which provided insights as to the challenges and opportunities for further investigating when applying the draft GBCA New Buildings tool to industrial facilities.

Biodiversity

We aim to deliver a positive impact on biodiversity through enhancing and managing biodiversity outcomes across properties that we develop and operate.

Much of our portfolio exists in highly urbanised areas that generally has not retained its prior biodiversity value. However, the opportunity exists to make a positive impact at new developments and existing properties where changes in land use does occur.

During FY21, we continued to support positive biodiversity outcomes at the development of Horizon 3023 in Ravenhall, Victoria. This site contains habitat that is home to an endangered grassland community and supports endangered species such as the Striped Legless Lizard. We are progressing a ten-year conservation management plan for the site, with some of this year's activities including:

- Assessing the condition and extent of Natural Temperate Grassland of the Victorian Volcanic Plain to observe any changes in the native vegetation cover and weed extent within the grassland
- Updating the surveys of the populations of Spiny Rice-flower and Striped Legless Lizard, which found that the population of Spiny Rice-flower had grown both within and adjacent to the offset area
- Completing control works including weed and pest control, rubbish removal, and biomass removal

The management and monitoring works undertaken so far demonstrate that the site's condition has improved, enhancing the ecological value present in Ravenhall. Further implementation of the management plan, combined with the 32 hectares of high-quality vegetation that we have secured for conservation in perpetuity off site, will contribute to a net positive outcome for biodiversity.

Biodiversity is also a key consideration in the planning for new precincts. At Waterfront Brisbane, the design leverages its position as the connecting point of the city to the river edge. One of the driving influences behind the development's public realm is the natural and cultural history of Brisbane and South East Queensland landscapes.

The majority of the site falls within the lower banks of the Brisbane River flood plain, and prior to vegetation clearance, these alluvial areas would have comprised, evergreen, semi-deciduous, medium and large-leaved vine forest dominated by palm species. The higher elevated areas of undulating terrain, in the central eastern portion of the development site, would have comprised moist open forests and woodlands dominated by spotted gum. The analogy of these original vegetation groups has been applied to the landscape design to reflect the different physical characteristics that occur across the site and have inspired the planting strategy.

We also seek to make a net-positive impact on biodiversity through our investment in nature-based carbon offsets, which helps provide or restore local habitat for flora and fauna.





We are also pursuing several other Green Star ratings, including:

- 180 Flinders Street, Melbourne – targeting 5 Star Green Star As Built
- 60 Collins Street, Melbourne – targeting 5 Star Green Star As Built
- Central Place, Sydney – targeting 6 Star Green Star Design & As Built
- Waterfront Place, Brisbane – targeting 6 Star Green Star Design & As Built

We apply the Green Star Performance rating tool to benchmark the operational performance of the group's office, retail, and industrial properties, across a broad range of measures relating to energy, water, indoor environment, building management, transport, materials, land use, ecology and innovation.

In July 2021, we re-rated the group's office, retail, industrial and healthcare portfolios (68 properties), which was adjusted from the previous year with divestments and acquisitions during FY21.

National Australian Built Environment Rating System (NABERS)

Dexus has a well-established NABERS program to benchmark energy and water performance nationally, using a rating scale from 1 to 6 stars. The FY21 NABERS rating result shows a large portion of the Dexus portfolio improved across both energy and water ratings. The improvement in both ratings is related to reduced physical occupancy levels that many buildings experienced in the past 12 months. The portfolio NABERS Water average increased from 3.7 to 4.5 stars. The portfolio NABERS Energy average increased from 4.8 to 5.0 stars and the corresponding NABERS with GreenPower average increased from 5.0 to 5.1 stars. These improvements can be primarily attributed to successful building management during periods of lower occupancy, as well as continued dedication to building improvement projects.

Key highlights from the office portfolio include:

- 44 properties achieved a 5 star NABERS Energy rating or higher
- 48 properties achieved a 4 star NABERS Water rating or higher
- 1 Bligh Street, Sydney increased its NABERS Water rating from 4.5 to 5.5 stars. A key factor driving this improvement was the operation of the blackwater treatment plant, which generated over 6,000kL of treated water, reducing the tower's water usage by 40%

- 100 Mount Street, North Sydney achieved 5.0 star NABERS Energy and 4.5 star NABERS Water ratings in line with its development commitment

The group managed retail portfolio maintained its strong performance while navigating the challenges presented by the COVID-19 pandemic. Key highlights include:

- QV Retail, Melbourne improved its NABERS Energy rating from 2.5 to 3.0 stars and its NABERS Water rating from 2.0 to 2.5 stars
- Deepwater Plaza, Woy Woy improved its NABERS Energy rating from 2.0 to 3.0 stars and is set to further improve from additional on-site electricity generation from the newly installed 253 kW carpark shade solar system

As an active member of the real estate industry, Dexus understands the significance of engaging in industry discussions about the NABERS tools, to support its positive influence on resource efficiency and reducing carbon emissions.

In FY21, Dexus was part of a NABERS Energy Technical Working Group (TWG). The TWG has given us an opportunity to use our experience to help NABERS update its NABERS Energy rating tool to align with the industry's rapid transition to renewable energy sourcing.

We also actively contributed to industry peak bodies such as the Property Council of Australia, and Green Building Council of Australia. These collaborations enable us to share our experience and expertise to support positive action, and also provides us with insights on broader industry trends and upcoming changes to policies, tools and rating schemes.

NABERS portfolio average ratings (stars)

The table below provides group portfolio averages across NABERS Energy, Water, Waste, and Indoor Environment rating tools.

Office Portfolio	NABERS Energy with GreenPower	NABERS Energy	NABERS Water
Group Office Portfolio	5.1	5.0	4.5
Dexus portfolio	5.1	5.0	4.5
Dexus Office Partnership	5.1	5.0	4.8
Dexus Wholesale Property Fund, comprising:	5.0	5.0	4.1
– DWPF properties	5.1	5.1	4.3
– DADPF directly owned properties	4.9	4.8	4.0
Dexus Australian Commercial Trust	4.5	4.5	5.5
Office Portfolio	NABERS Waste	NABERS Indoor Environment	
Group Office Portfolio	2.7	4.7	
Retail Portfolio	NABERS Energy with GreenPower	NABERS Energy	NABERS Water
Group Retail Portfolio	4.3	4.3	3.6
Dexus Wholesale Property Fund, comprising:	4.4	4.4	3.6
– DWPF properties	4.3	4.3	3.7
– DADPF directly owned properties	4.6	4.6	3.6



Climate resilience

We support the UN Paris Agreement's goal of transitioning to net zero emissions and have brought forward our net zero target to 30 June 2022, in recognition of the need to take accelerated action to minimise the impacts of climate change.

For over a decade, we have reduced our impact through lowering emissions, adapting to climatic effects by enhancing portfolio resilience, and influencing our value chain to collaboratively tackle the climate challenge.

Expanding our scenario analysis

In 2020, we expanded the use of scenario analysis to test how the business could enhance its resilience to climate impacts. The outcomes of the scenario analysis are detailed in Dexus's report *Towards Climate Resilience* published in June 2020. Dexus's *Towards Climate Resilience* report is aligned with the TCFD recommendations and signals ways that Dexus can evolve its approach to managing climate-related issues. The report is available at <http://www.dexus.com/towards-climate-resilience>.

Over the past year, we extended our understanding of climate-related issues through completing an economic analysis of climate-related transition impacts relevant to Dexus's customer base. The analysis explored how customer sector outlooks may be economically impacted based on their exposure to physical and transitional climate impacts (the outcomes of the analysis are explained in our TCFD reporting on pages 66–69 of the 2021 Annual Report). During the year, we also expanded our site-specific physical risk assessments to continue to evaluate, mitigate and manage significant climate-related vulnerabilities at high-risk properties.

Property-level resilience

Since 2011, Dexus has conducted periodic group-wide physical climate risk assessments to determine the magnitude of climate risks across the portfolio. The most recent physical risk assessments incorporated medium- and long-term greenhouse gas emission scenarios to identify high-impact climate-related outcomes, including the magnitude and specific locations where hazards are likely to occur. A geospatial analysis was also conducted to map our properties against their relevant climate zones and link to the scenario outcomes.

We reviewed property-specific scenario data including flood maps, and likely frequency and intensity of bushfires and storms to assess each property and identify hotspots in each geographical market. To sense-check these results we surveyed facility and operations managers to assess climate vulnerability at their properties. Analysis has informed the overall level of physical risk exposure across all existing properties and geographical hotspots.

Climate change has been incorporated into relevant group policies and procedures to provide guidance to employees and inform all stakeholders of Dexus's commitment to managing climate-related issues. This includes Dexus's Environment Policy and Environmental Management System which applies to properties under management as well as developments and transactions.

Since 2018, Dexus has supported the TCFD by disclosing its approach to addressing climate-related issues in accordance with the TCFD recommendations. We report on climate-related issues at various locations across our public reporting, as outlined in the table on page 65.



TCFD recommendation	Reporting reference
Governance: Disclose the organisation's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities	2021 Annual Report (page 66) Towards Climate Resilience (page 15)
b) Describe management's role in assessing and managing climate-related risks and opportunities	2021 Annual Report (page 66) Towards Climate Resilience (page 15)
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Towards Climate Resilience (pages 19-21) 2021 Sustainability Report (page 167)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	2021 Annual Report (pages 62-69) Towards Climate Resilience (pages 9-14, 19-21)
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Towards Climate Resilience (pages 4-14) 2021 Sustainability Report (pages 165-166)
Risk Management: Disclose how the organisation identified, assesses, and manages climate-related risks.	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	2021 Annual Report (pages 66-69) Towards Climate Resilience (page 16) 2021 Sustainability Report (page 168)
b) Describe the organisation's processes for managing climate-related risks.	2021 Annual Report (pages 66-69) Towards Climate Resilience (page 16) 2021 Sustainability Report (page 168)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	2021 Annual Report (pages 66-69) Towards Climate Resilience (page 16) 2021 Sustainability Report (page 168)
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	2021 Annual Report (pages 62-69) 2021 Sustainability Report (pages 85-107)
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	2021 Sustainability Report (pages 85-107)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	2021 Annual Report (pages 62-69) 2021 Sustainability Report (pages 52-64)

Sustainability Data Appendix

The Sustainability Data Appendix discloses comprehensive performance metrics for the year ending 30 June 2021.

The Sustainability Data Appendix is organised with reference to DexUS's Sustainability Approach objectives.

Boundary terms and independent assurance

In this Sustainability Data Appendix:

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

Any reference in this report to a 'year' relates to the financial year ended 30 June 2021. All dollar figures are expressed in Australian dollars unless otherwise stated.

In addition to auditing the Financial Statements, PricewaterhouseCoopers (PwC) provides limited assurance over select environmental and social data metrics within the DexUS 2021 Annual Reporting Suite. Limited assurance has been obtained for the 12 months to 30 June 2021. The Assurance Statement and associated reporting criteria documents are available at page 199.





Sustained Value

Delivering superior long-term performance for our investors and third party capital partners, underpinned by integrating environmental, social and governance issues into our business model.

→ Page 68



Thriving People

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

→ Page 72



Future Enabled Customers and Strong Communities

A strong network of value chain partners (customers, communities and suppliers) who support Dexs and are positively impacted by Dexs.

→ Page 82



Enriched Environment

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

→ Page 85

Sustained Value



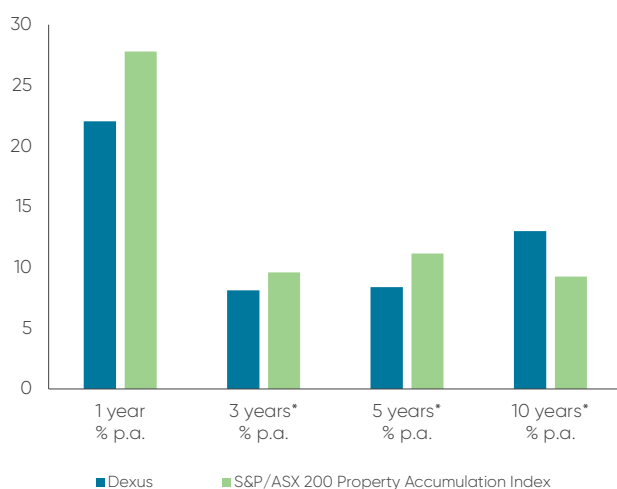
The Sustained Value section of this Sustainability Data Appendix supports the performance reporting within Dexus's 2021 Annual Report.

Financial highlights

Key metrics	FY17	FY18	FY19	FY20	FY21
Net profit after tax (\$m)	1,264.2	1,728.9	1,281.0	927.7 ⁶	1,138.4
Adjusted Funds From Operations (\$m)	439.7	485.5	517.2	550.5	561.7
Adjusted Funds From Operations (cents per security)	45.4	47.7	50.3	50.3	51.8
Adjusted Funds From Operations per security growth (%)	4.5	5.1	5.5	0.0	3.0
Funds From Operations (\$m)	617.7	653.3	681.5	730.2	717.0
Funds From Operations (cents per security)	63.8	64.2	66.3	66.7	66.1
Distribution (cents per security)	45.47	47.8	50.2	50.3	51.8
Return on Equity (%)	18.2	19.8	13.9	8.4	9.9
Return on Contributed Equity (%)	7.6	7.6	10.1	9.0	8.3
NTA per security (\$)	8.45	9.64	10.48	10.86	11.42
Gearing (look-through) ¹ (%)	26.7 ²	24.1	24.0	24.3 ³	26.7 ⁴
Duration of debt (years)	5.6 ⁵	7.0	6.7	6.9	6.2
Total security holder return (%)	10.1	7.5	39.4	-25.7	22.0

- Adjusted for cash and debt in equity accounted investments.
- Proforma gearing for FY17 is adjusted for post balance date acquisitions. Actual gearing (look-through) was 22.1%.
- Proforma gearing adjusted for cash and debt in equity accounted investments. Look-through gearing at 30 June 2020 was 26.3%.
- Excluding the impact of the divestments of 60 Miller Street, North Sydney which settled on 3 August 2021 and Grosvenor Place in Sydney which is expected to settle in the first half of FY22.
- Includes \$60 million of Medium Term Notes issued in July 2017 and three bank facilities for \$325 million that commenced in July 2017.
- Restatement to 2020 required to comply with recently issued guidance from the International Financial Reporting Interpretations Committee (IFRIC) regarding the treatment of "Configuration or Customisation Costs in a Cloud Computing Arrangement".

Dexus total return performance (%)



Dexus portfolio snapshot

Key metrics		FY17	FY18	FY19	FY20	FY21
Portfolio value (\$A)	Dexus portfolio	\$12.2bn	\$13.3bn	\$15.6bn	\$16.5bn	\$17.5bn ¹
	Office	\$10.2bn	\$11.0bn	\$13.2bn	\$14.2bn	\$14.0bn
	Industrial	\$2.0bn	\$2.2bn	\$2.3bn	\$2.2bn	\$3.0bn
	Healthcare	–	\$0.1bn	\$0.1bn	\$0.1bn	\$0.5bn
Net lettable area (sqm)	Dexus portfolio	2,866,358	2,869,403	3,045,759	3,157,733	3,390,818
	Office	1,581,646	1,495,238	1,546,264	1,614,907	1,475,836
	Industrial	1,284,712	1,322,557	1,447,539	1,474,970	1,842,023
	Healthcare	–	51,608	51,956	67,856	72,959
Funds From Operations ²	Office	\$567.4m	\$603.8m	\$610.5m	\$671.4m	\$658.3m
	Industrial	\$114.8m	\$132.7m	\$137.3m	\$124.2m	\$122.2m
Like-for-like income growth	Office	2.6%	4.5%	3.4%	2.4% ³	2.3% ⁴
	Industrial	3.6%	3.0%	8.0% ⁵	(2.1)% ⁶	3.7% ⁷
Occupancy (by income)	Office	97.2%	96.0%	98.0%	96.5%	95.2%
	Industrial	96.5%	98.3%	97.0%	95.6%	97.7%
Occupancy (by area)	Office	97.0%	95.7%	97.8%	96.6%	94.6%
	Industrial	96.6%	98.8%	98.8%	97.9%	98.7%
Lease duration (by income)	Office	4.8 years	4.6 years	4.4 years	4.2 years	4.6 years
	Industrial	5.1 years	4.8 years	4.7 years	4.1 years	4.4 years
Weighted average capitalisation rate	Dexus portfolio	5.95%	5.52%	5.26%	5.05%	4.91%
	Office	5.78%	5.37%	5.15%	4.97%	4.91%
	Industrial	6.88%	6.40%	5.92%	5.66%	4.92%
1-year total return	Office	14.1%	16.9%	10.6%	7.5%	5.7%
	Industrial	12.6%	13.6%	12.9%	11.8%	23.5%

1. Proforma for the acquisition of APN Property Group which was approved on 27 July 2021 as well as the settlement of MDAP's 33.3% interest in 1 Bligh Street, Sydney which occurred on 8 July 2021.
2. On 1 July 2014, the group adopted the Property Council of Australia definition of FFO. The Directors consider FFO to be a measure that reflects the underlying performance of the group. FFO comprises net profit/loss after tax attributable to stapled security holders, calculated in accordance with Australian Accounting Standards and adjusted for: property revaluations, impairments and reversal of impairments, derivative and foreign exchange mark-to-market impacts, fair value movements of interest bearing liabilities, amortisation of tenant incentives, gain/loss on sale of certain assets, straight line rent adjustments, non-FFO tax expenses, certain transaction costs, one-off significant items (including write off of IFRIC SaaS customisation expenses), amortisation of intangible assets, movements in right-of-use assets and lease liabilities, rental guarantees and coupon income.
3. Excluding rent relief and provision for expected credit losses effective LFL growth was +4.7%.
4. Excluding rent relief and provision for expected credit losses. Including these impacts effective LFL growth was +0.9%.
5. Excluding one-off income was 2.5%.
6. Excluding rent relief and provision for expected credit losses effective LFL growth was +0.1%.
7. Excluding rent relief and provision for expected credit losses. Including these impacts effective LFL growth was +4.5%.

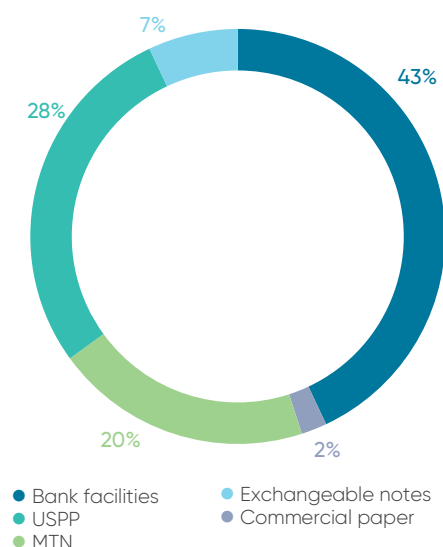
Sustained Value continued

Capital management

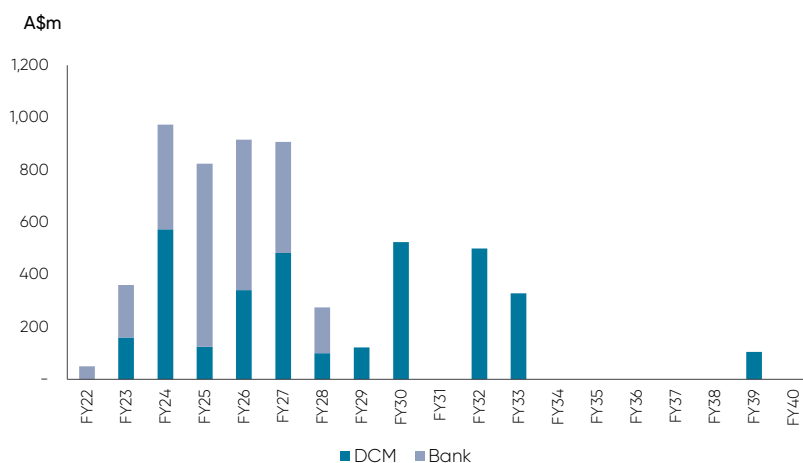
Key metrics	FY17	FY18	FY19	FY20	FY21
Cost of debt ¹	4.1%	4.2%	4.0%	3.4%	3.2%
Duration of debt	5.6 years ²	7.0 years	6.7 years	6.9 years	6.2 years
Hedged debt (including caps) ³	65%	71%	74%	78%	81%
Gearing (look-through) ⁴	26.7% ⁵	24.1%	24.0%	24.3% ⁶	26.7% ⁷
Headroom (approximately) ⁸	\$1.1bn	\$0.9bn	\$1.0bn	\$1.6bn	\$1.1bn
S&P/Moody's credit rating	A- /A3	A- /A3	A- /A3	A- /A3	A- /A3

1. Weighted average for the year, inclusive of fees and margins on a drawn basis.
2. Includes \$60 million of Medium Term Notes issued in July 2017 and three bank facilities for \$325 million that commenced in July 2017.
3. Average for the year.
4. Adjusted for cash and debt in equity accounted investments.
5. Proforma gearing for FY17 is adjusted for post balance date acquisitions. Actual gearing (look-through) was 22.1%.
6. Proforma gearing adjusted for cash and debt in equity accounted investments. Look-through gearing at 30 June 2020 was 26.3%.
7. Excluding the impact of the divestments of 60 Miller Street, North Sydney which settled on 3 August 2021 and Grosvenor Place in Sydney which is expected to settle in the first half of FY22.
8. Undrawn facilities plus cash.

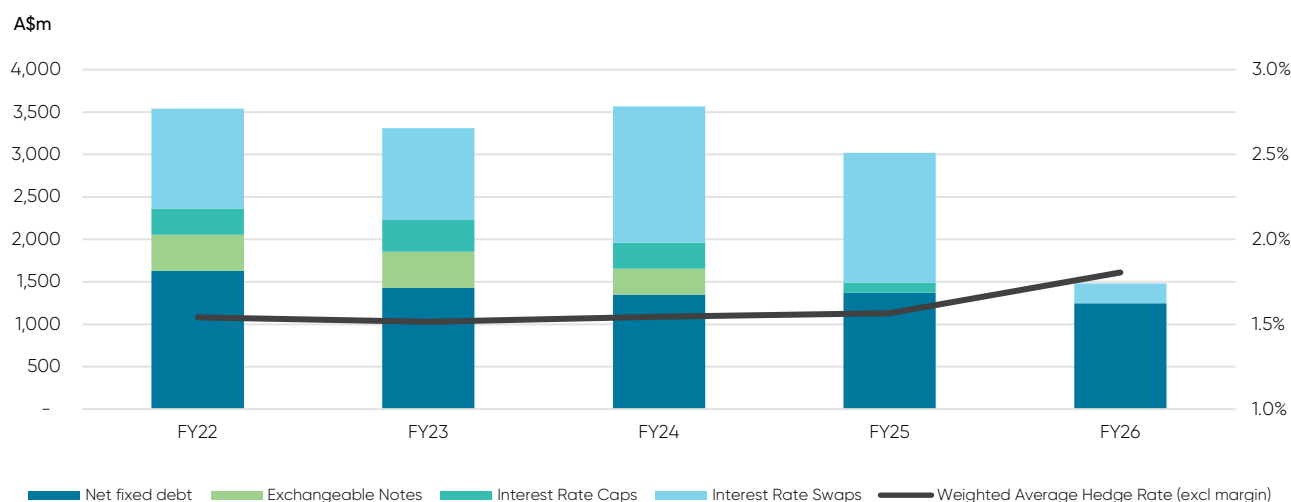
Diversified mix of debt



Debt maturity profile¹



Hedged maturity profile¹



Debt facilities¹

		Facility limit (A\$m)	Drawn (A\$m)	Maturity dates	Currency
Bilateral bank debt		50	50	FY22	A\$
		300	300	FY23	A\$
		300	297	FY24	A\$
		550	180	FY25	A\$
		575	253	FY26	A\$
		425	211	FY27	A\$
		175	-	FY28	A\$
Commercial paper ²		100	100	FY24	A\$
Medium term notes		160	160	FY23	A\$
		185	185	FY26	A\$
		130	130	FY27	A\$
		200	200	FY30	A\$
		500	500	FY32	A\$
		30	30	FY39	A\$
US senior notes (USPP) ³					
	Series 1	291	291	July-23 – Jul-28	US\$
	Series 2	225	225	Feb-24 – Feb-27	US\$
	Series 3	286	286	Dec-24 – Dec-26	US\$
	Series 4 (A\$)	100	100	Jun-28	A\$
	Series 5	503	503	Nov-29 – Nov-32	US\$
	Series 5 (A\$)	150	150	Nov-29 – Nov-32	A\$
	Series 6 (A\$)	75	75	Oct-38	A\$
Exchangeable notes		425	425	FY24 ⁴	A\$
Subtotal		5,735	4,651		
Currency translation and fair value adjustments		328	328		
Deferred borrowing costs and debt modifications		(32)	(32)		
Exchangeable Notes adjustments		(22)	(22)		
Total interest bearing liabilities		6,009	4,925		
Bank guarantees utilised			(58)		
Cash			44		
Headroom including cash			1,069		

1. Does not include debt facilities in equity accounted investments: \$11.5 million (December 2022), \$27.7 million (April 2024), \$27.7 million (April 2025), \$183.4 million (June 2025) and \$36.9 million (April 2026).

2. Based on maturity date of commercial paper standby facility.

3. USPP US\$ amount shown at the cross-currency swap contract rate.

4. Based on investor put date in FY24.

Thriving People



The people data in this section supports the performance reporting in the 2021 Sustainability Performance Pack.

For background on the management frameworks and procedures related to our workforce please refer to the 2021 Sustainability Approach and Procedures on page 131.

Workforce statistics

	FY17		FY18		FY19		FY20		FY21	
Metric	M	F	M	F	M	F	M	F	M	F
By employment type (FTEs)										
Permanent full-time ¹			176.0	181.0	207.0	216.0	228.0	236.8	225.0	240.0
Fixed term full-time ¹	181.0	180.9	13.0	14.0	11.0	27.0	12.0	15.0	13.0	15.0
Permanent part-time ¹			0.0	26.8	0.0	31.3	0.8	27.3	0.9	26.3
Fixed term part-time ¹	1.0	27.8	0.0	2.0	0.0	4.8	1.4	2.4	0.0	2.8
Contractor	1.0	0.0	–	–	–	–	–	–	–	–
Casual	5.0	8.0	5.8	8.4	7.6	12.2	1.8	1.0	0.0	0.0
Total workforce by gender	188.0	216.7	194.8	232.2	225.6	291.3	244.0	282.5	238.9	284.1
Total workforce	404.7		427.0		516.9		526.5		523.0	
Contingent workers ²	–		49.0		54.4		49.0		53.2	
Workforce by location (%)										
NSW	38	40	38	42	36	46	39	46	38	45
QLD	4	7	4	5	4	4	3	3	3	3
VIC	3	6	3	6	3	5	4	4	5	5
WA	1	1	1	1	1	1	1	1	1	1

1. From FY18, Dexs separated reporting of permanent and fixed-term employees.

2. Corporate contractors, agency temps or consultants that performed work on a time and materials basis (e.g. a project with a defined beginning and end date). A 'corporate contractor' is an individual contracted by Dexs to perform work prescribed by Dexs, usually at a Dexs corporate office location. Corporate contractors generally cannot be replaced with a new individual performing the same work, without terminating the existing contract and creating a new contract for the new individual. Using terminology within the reporting standard GRI 403: Occupational Health and Safety 2018, corporate contractors are characterised by Dexs having both control of work and control of the workplace. Note the distinction with 'site-based contractor' as defined on page 78.

Engagement and flexible working

Metric	FY17		FY18		FY19		FY20		FY21	
Employee engagement										
Survey participation rate (%)	70		82		75		74		70	
Engagement rate ² (%)	84		87		81 ²		83		71	
Employee Net Promoter Score ³	–		–		+40		+61		+43	
Flexible working	M	F	M	F	M	F	M	F	M	F
No. of formal flexible work arrangements ⁴	11	51	16	75	38	102	45	11	29	110

1. Engagement information is sourced directly from internal employee engagement surveys administered during the year (our Employee Listening Strategy is detailed on page 133). The figures reported above are an average of employee surveys administered during the reporting period.

2. In FY19, Dexs began delivering employee engagement surveys at least twice annually, instead of a larger survey once every two years. Engagement scores reported in FY19 are thus not directly comparable to previous years and should not be considered indicative of a trend.

3. Based on a scale of -100 to +100

4. The number of flexible work arrangements reported include formal agreements where employees have indicated that they work part-time, work remotely or flexibly according to an agreed schedule, job share, receive extended leave without pay for a period greater than one month, or purchase additional annual leave. The reported figures do not include informal flexible work arrangements where employees work remotely or vary their hours of work on an ad hoc basis. All employees are eligible for informal flexible work arrangements and agree such arrangements with their managers as required.

Inclusion and diversity

Gender diversity

Gender diversity in the workforce	FY17		FY18		FY19		FY20		FY21	
Dexus workforce by gender	#	%	#	%	#	%	#	%	#	%
Female employees (FTE)	216.7	54	232.2	54	291.3	56	282.5	54	284.1	54
Male employees (FTE)	188.0	46	194.8	46	225.6	44	244.0	46	238.9	46
Total employees (FTE)	404.7		427.0		516.9		526.5		523.0	
Female employees (headcount)	-	-	249	56	310	58	300	54	307	55
Male employees (headcount)	-	-	199	44	229	42	252	46	252	45
Total employees (headcount)	-		448		539		552		559	
Gender diversity in management ^{1,2}	#	%	#	%	#	%	#	%	#	%
Females in senior management (FTE)	35.2	32	39.3	34	47.7	36	- ¹	-	-	-
Males in senior management (FTE)	76.0	68	77.8	66	83.8	64	-	-	-	-
Total employees in senior management (FTE)	111.2		117.1		131.5		-		-	
Females in senior management (headcount)	-	-	41	36	50	37	49	36	52	35
Males in senior management (headcount)	-	-	78	66	84	63	89	64	98	65
Total employees in senior management (headcount)	-		199		134		138		150	
Females in executive (headcount)	-	-	-	-	2	25	2	25	3	30
Males in executive (headcount)	-	-	-	-	6	75	6	75	7	70
Total employees in executive team (headcount)	-		-		8		8		10	
Females in all management (headcount)	-	-	-	-	157	51	156	47	160	47
Males in all management (headcount)	-	-	-	-	151	49	177	53	178	53
Total employees at all management levels (headcount)	-		-		308		333		338	
Board gender diversity	%		%		%		%		%	
Percentage of female Non-Executive Directors	43		43		43		37.5		42.9	
Percentage of male Non-Executive Directors	57		57		57		62.5		57.1	

1. Prior to FY19, Dexus reported on gender diversity in senior management based on FTE. From FY19, Dexus reports on gender diversity across a broader range of management levels based on headcount and will no longer provide reporting on gender diversity using FTE. The use of headcount is consistent with the standards used by the Australian Government Workplace Gender Equality Agency and with other diversity metrics reported by Dexus.
2. FY20 data on gender diversity in senior management has been independently assured.

Commentary and methodology

All people data is taken from each year's headcount report as at 30 June, produced by Dexus People and Culture.

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

'Non-Executive Directors' are independent directors of DXFM and does not include the CEO who is counted in the senior management team for the purposes of workforce reporting.

Thriving People continued

Cultural diversity

Main cultural/ethnic identity	FY20	FY21
% of survey respondents		
Australian	57.8	60.5
British	10.4	4.1
Mainland South East Asia	3.8	3.8
Chinese Asian	3.1	3.1
Multi-ethnic	-	3.1
New Zealandar	3.3	2.3
Southern Asian	2.0	2.3
Irish	2.8	2.0
Western European	2.3	2.0
Eastern European	2.5	1.0
Southern and East African	0.5	1.0
Other	1.8	1.8
Southern European	1.8	1.3
Maritime South East Asian	1.8	0.8
North American	0.5	0.8
Arab	-	0.8
Northern European	1.3	0.5
North African and Middle Eastern	1.5	0.3
Other North East Asian	0.8	0.3
Southern Eastern European	0.8	0.3
Jewish	-	0.3
Polynesian	0.5	-
South American	0.5	-
Aboriginal/Torres Strait Islander	0.3	-

Commentary

Data is sourced from Dexus's June 2021 internal employee Pulse survey, which asked employees "How would you describe your own MAIN identity in cultural/ethnic terms?" Of the 622 employees invited to respond to the survey, 392 (63%) employees provided a response to this question (including employees who selected "Prefer not to say").

Country of origin

Country/region of birth	FY20	FY21
% of survey respondents		
Australia	70.5	69.2
United Kingdom, Channel Islands and Isle of Man	6.6	4.6
Other country not listed	5.5	3.6
New Zealand	3.6	3.1
Southern Asia	1.4	2.8
Chinese Asia (includes Mongolia)	2.7	2.3
Maritime South-East Asia	1.1	1.8
Mainland South-East Asia	1.1	1.8
Western Europe	0.2	1.3
Southern and East Africa	0.7	1.0
Eastern Europe	0.9	0.8
Northern America	0.7	0.8
Northern Europe	-	0.5
Ireland	1.4	0.5
South America	0.7	0.5
Japan and the Koreas	0.7	0.3
North Africa	0.2	0.3
Middle East	0.5	-
Melanesia	0.0	-
South Eastern Europe	0.2	-

Commentary

Data is sourced from Dexus's June 2021 internal employee Pulse survey, which asked employees "Which country were you born in?" Of the 622 employees asked to respond to the survey, 390 (63%) employees provided a response to this question (including employees who selected "Prefer not to say").

Age diversity

Employee age range	FY18		FY19		FY20		FY21	
% by headcount	M	F	M	F	M	F	M	F
Under 30 years old by gender	7	12	6	15	8	13	9	13
Under 30 years old all employees	18		21		21		22	
30 to 50 years old by gender	31	36	30	37	31	36	28	36
30 to 50 years old all employees	68		66		66		64	
Over 50 years old by gender	8	6	7	6	7	6	8	6
Over 50 years old all employees	14		13		13		14	

Thriving People continued

Leave and absenteeism

Metric	FY17	FY18	FY19	FY20	FY21
Leave days taken (days)					
Annual leave	6,679	6,447	6,976	7,666	7,611
Long service leave	165	140	108	61	113
Parental leave unpaid	1,012	686	771	2,234	2,425
Parental leave paid	632	1,148	1,317	1,291	1,862
Sick and carer's leave	1,234	1,197	1,327	1,274	1,256
'Dexus days'	0	1,552	1,571	1,903	2,172
Leave without pay	391	256	296	312	92
Other leave	710	438	205	266	301
Absenteeism					
Absentee Rate (sick days lost per FTE) ¹	3.0	2.8	2.6	2.4	2.4

1. FY21 data independently assured.

Commentary and methodology

Leave data is gathered for each reporting period from payroll system records. The data is consolidated into the categories displayed in the report as follows:

- Annual leave: Annual leave only
- Long service leave: Long service leave only
- Parental leave unpaid: Parental leave unpaid only
- Parental leave paid: Primary and non-primary paid parental leave
- Sick and carer's leave: Sick leave, carer's leave only
- Dexus Days: additional annual leave
- Leave without pay: Leave without pay only
- Other leave: Study leave, volunteer leave, jury duty, special bereavement or compassionate leave, and purchased leave

Definitions

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

Work health and safety

Metric	FY17	FY18	FY19	FY20	FY21
Dexus employee WHS incidents					
Recorded injuries	8	18	19	5	10
Lost-time injuries/diseases	3	1	0	0	2
Cases of work-related ill health	0	0	0	0	1
Fatalities	0	0	0	0	0
Lost Time Injury Incidence Rate (LTIIIR)	0.74	0.23	0	0	0.38
Lost Time Injury Frequency Rate (LTIFR) ¹	4.06	1.28	0	0	2.10
Occupational disease rate (occurrences per million hours worked)	0	0	0	0	0
Lost day rate (days lost per million hours worked)	181.53	7.7	0	0	68.14
Site-based contractor WHS incidents²					
Recorded injuries	–	–	–	21	20
Lost time injuries	–	–	–	10	0
Fatalities	–	–	–	0	0
LTIFR	–	–	–	2.99	0
Recorded hours worked	–	–	–	3,343,131	2,382,271
Employee relations matters					
Fraud, bribery and corruption	–	–	0	0	0
Discrimination	–	–	0	0	0
Privacy	–	–	0	1	0
Other Whistleblower matters	–	–	1	0	0
Other Employee Code of Conduct breaches	–	–	0	5	6
Employee relations matters	0	1	– ³	–	–

1. FY21 data independently assured.

2. Dexus commenced public reporting of site-based contractor WHS incidents in FY20.

3. Prior to FY19, employee relations matters were reported collectively as per the 'employee relations matters' row at the bottom of the table. There is no reporting for employee relations matters from FY19 because the matters are now reported according to the more detailed categories provided.

Commentary and methodology

Work health and safety (WHS) incidents account for all recorded incidents pertaining to Dexus employees and includes corporate contractors.

The system of rules applied in recording and reporting accident statistics include Australian Standard 1885.1 1990, Workplace injury and disease recording standard as well as definitions within GRI 403: Occupational Health and Safety 2018, from the Global Reporting Initiative (GRI) Standards.

Thriving People continued

Definitions

Term	Description
Fatalities	Fatalities that occur as a result of an injury or disease occurrence.
Lost day rate (LDR)	<p>The number of days lost to injuries/diseases for each one million hours worked is calculated as follows:</p> $LDR = \frac{\text{days lost due to injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$
Lost Time Injury Frequency Rate (LTIFR)	<p>The number of occurrences of injury or disease for each one million hours worked is calculated as follows:</p> $LTIFR = \frac{\text{number of lost time injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$
Lost Time Injury Incidence Rate (LTIIIR)	<p>The number of occurrences of injury/disease for each one hundred full time equivalent employees is calculated as follows:</p> $LTIIIR = \frac{\text{number of lost time injuries/diseases}}{\text{number of full-time equivalent employees}} \times 100$
Lost-time injuries/diseases	Those occurrences that resulted in a fatality, permanent disability or time lost from work of one day/shift or more and if the incident relates to a Dexus employee, is recorded via a WorkCover claim.
No lost-time injuries/diseases	A work-related injury or disease (including a permanent disability or a fatality) that results in one or more days absent from work (not including the day of injury) and is supported by a workers compensation certificate.
Number of Dexus employee hours worked in the period	Refers to the total scheduled number of hours worked by all Dexus employees as recorded at 30 June of each year. Dexus offers employees flexible work arrangements and staff are employed under individual contracts that stipulate 38 hours per week for each full-time employee. As Dexus does not track employee working hours and staff do not engage in overtime or shift work, Dexus has defined the 'number of hours worked' as 1,824 hours per annum (equal to 240 days x 7.6 hours) per full-time employee.
Number of full-time equivalent employees (FTEs)	Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2021. FTE data for the purpose of these statistics represents the active Dexus workforce, and is based on the metric 'Total FTE' as defined by the Australian Public Service Commission , as the number of full-time equivalent employees directly employed by the organisation at a point in time where part-time employees are converted to full-time equivalent based on the hours they work as a proportion of the hours for a full-time employee.
Number of workers	<p>Is defined as the number of workers who were employed by Dexus as recorded at the end of 30 June 2021.</p> <p>Headcount data for the purpose of these statistics represents the active Dexus workforce and is based on the metric 'Total Headcount (ongoing)' as defined by the Australian Public Service Commission, as the number of ongoing employees directly employed by Dexus at the point in time described above.</p>
Occupational disease	A disease arising from the work situation or activity (such as stress or regular exposure to harmful chemicals), or from a work-related injury.
Occupational disease rate (ODR)	<p>The number of occurrences of occupational diseases for each one million hours worked is calculated as follows:</p> $ODR = \frac{\text{number of occurrences of occupational diseases}}{\text{number of hours worked}} \times 1,000,000$
Recorded injuries	Recorded incidents that resulted in lost time and/or for which first aid or medical treatment was administered. Prior to FY20, lost time injuries were not included in this number.
Site-based contractor	An individual employed by an organisation other than Dexus, who performs work as directed by their employer at an operational asset controlled by Dexus. In these situations, Dexus generally has a contract with the third-party organisation to provide a service (e.g. cleaning, security), and the third party organisation can select different individuals to provide the service without varying its contract with Dexus. Using terminology within the reporting standard GRI 403: Occupational Health and Safety 2018, site-based contractors are characterised by Dexus having control of the workplace, but not having control over the individual's work. Note the distinction with 'corporate contractor' as defined on page 72.

Recruitment

Metric	FY17		FY18		FY19		FY20		FY21	
	M	F	M	F	M	F	M	F	M	F
Total number of new hires	47	67	64	127	108	173	111	144	130	164
Collective bargaining arrangements										
Percentage of total employees eligible for collective bargaining agreements	100		100		100		100		100	
Number of employees employed under collective bargaining agreements	-		-		-		-		-	
Percentage of total employees covered by collective bargaining agreements	-		-		-		-		-	

Dexus does not have any collective agreements as all employees are employed under individual contracts which comply with the National Employment Standards (NES). All employees are covered by an Award or NES. These awards or standards clearly indicate that all employees are free to associate. Dexus places its employees on an individual agreement, which cannot under legislation, remove any rights an employee has under an award for NES.

Retention

Metric	FY17		FY18		FY19		FY20		FY21	
	M	F	M	F	M	F	M	F	M	F
Voluntary turnover rate (%)										
Executive management	8	-	17	-	-	-	-	-	-	-
Senior management	3	3	3	8	13	9	3	4	5	13
Middle management	22	19	21	41	7	12	12	-	8	13
Professional/technical	11	2	22	15	19	16	5	13	14	11
Administration/operations	40	32	4	18	11	20	15	21	-	15
Total voluntary turnover by gender	13	12	13	16	14	15	6	12	8	12
Total voluntary turnover	12		15		14		9		10	
All turnover (%)										
All turnover by gender	-	-	-	-	19	23	21	37	18	19
All turnover	1		1		21		30		18	
Key talent retention rate (%)										
Key talent retention	-		-		-		95		100	
Parental leave retention rates (%)										
Employees entitled to take parental leave	188.0	216.7	181.8	216.2	218	276	238	282	197	241
Employees that took parental leave in reporting year ¹	6.0	8.6	7.0	14.0	5	23	16	30	23	41
Returned to work in reporting year after parental leave ¹	6.0	6.4	7.0	12.0	5	21	16	29	23	38
Return to work rate	100	94	100	86	100	91	100	97	100	93
Returned to work after parental leave and remained at Dexus after 12 months	100	88	100	92	100	100	100	90	14	6

1. From FY19, Dexus reports parental leave and retention rates are based on headcount, prior years are based on FTE.

Commentary and methodology

The turnover calculation is a count of voluntary departures divided by the count of employees as at 30 June in each year. All relevant headcount data is taken from the headcount reports produced by Dexus People and Culture at 30 June each year.

The employee count reflects the total number of people employed by Dexus and accounts for circumstances such as flexible work arrangements and inactive employees on parental leave that are counted in full as departures.

Thriving People continued

Training and development

	FY17		FY18		FY19		FY20		FY21	
Metric	M	F	M	F	M	F	M	F	M	F
Training hours by work category										
Executive management	474	94	689	222	644	145	481	139	583	222
Senior management	1,923	1,230	1,785	984	1,891	1,205	1,966	1,187	2,649	1,410
Middle management	664	433	582	462	582	550	555	689	487	727
Professional/technical	1,899	3,703	856	1,727	1,404	2,590	2,245	3,331	1,964	3,097
Administration/operations	408	1,107	263	438	308	1059	527	1,153	405	1,101
Total	5,367	6,566	4,175	3,833	4,829	5,547	5,775	6,499	6,088	6,557
Average training hours by work category										
Executive management	40	47	57	111	54	48	34	46	42	56
Senior management	30	37	27	26	26	19	26	27	32	29
Middle management	37	28	24	29	21	23	24	23	19	24
Professional/technical	26	34	12	14	16	17	20	22	19	20
Administration/operations	18	20	11	9	12	16	24	23	14	16
Average training hours by gender	29	30	21	17	21	19	24	23	24	21
Hours of internal and external training										
Internal	6,588		2,312		3,760		2,820		3,251	
External	2,609		1,898		2,389		2,361		747	
Hours of compliance training	2,736		3,798		4,228		7,094		8,648	
Performance reviews										
Performance reviews performed (%)	100	100	100	100	100	100	100	100	100	100

During the year, all employees received communication and completed training about policies and procedures related to fraud, anti-corruption and human rights. Employees are required to declare their compliance with Dexu's Code of Conduct on an annual basis. Anti-corruption policies and procedures are included as part of this compliance. Compliance training is compulsory for every employee.

Commentary and methodology

Training data is taken from the training database at the end of each reporting year. Data is categorised and consolidated to provide training hours completed for each category. Data includes compliance training covering Human Rights issues as well as the Dexu Code of Conduct which addresses discrimination, harassment and bullying.

Remuneration ratios

Metric	FY17		FY18		FY19		FY20		FY21	
	M	F	M	F	M	F	M	F	M	F
Gender pay ratio (base salary)¹ by employee band										
Executive management	1.0	1.0	1.0	1.0	1.1	1.0	0.9	1.0	0.9	1.0
Senior management	1.2	1.0	1.2	1.0	1.0	1.0	1.1	1.0	1.0	1.0
Middle management	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Professional/technical	1.2	1.0	1.1	1.0	1.1	1.0	1.1	1.0	1.1	1.0
Administration/operations	1.0	1.0	1.1	1.0	1.2	1.0	1.0	1.0	1.0	1.0
CEO/Employee compensation ratio										
Ratio of the CEO total annual compensation to the median employee total annual compensation	-		31.2:1		36.3:1		33.9:1		41.6:1	
Ratio of the percentage increase in CEO total annual compensation to the percentage increase in median	-		3.3:1		14:-2 ²		0:7		21:-2²	

- Salary represents an employee's package including fixed cash and superannuation. Category ratios are calculated by taking the average male salary and comparing it to the average female salary
- In FY19 and FY20, the large increase in total number of employees resulted in an overall decrease to median employee total annual compensation based on FY18. This results in a ratio with a negative denominator that cannot be reduced further.

Future Enabled Customers and Strong Communities



These customer experience, community contribution and supply chain management data tables support the performance reporting in the 2021 Sustainability Performance Pack.

For background on the management frameworks and procedures related to our workforce please refer to the 2021 Sustainability Approach and Procedures on page 140.

Customer experience

	FY17	FY18	FY19	FY20	FY21
Surveyed overall satisfaction with Property Manager (score out of 10)					
Office	8.0	8.3	8.6	8.6	8.6
Industrial	8.1	8.3	8.6	8.8	8.3
Retail	–	7.8	8.2	8.2	8.7
Net Promoter Score (score between -100 and +100)					
Office	+31	+33	+46	+47	+49
Industrial	+30	+28	+45	+63	+31
Retail	–	–	+27	+39	+24
Survey participation rate (%)					
Office	45	46	48	42	54
Industrial	27	45	46	27	25
Retail	–	79	78	79	83

Green leases

Take-up of green leases within new lease agreements (%)	FY17	FY18	FY19	FY20	FY21
Office	90	97	92	98	93
Industrial	55	68	62	88	95
Retail	88	100	100	100	100
Total portfolio	84	91	90	97	96

Commentary

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

Community contribution

Volunteering and donations

	FY17	FY18	FY19	FY20	FY21
Value donated or raised					
Corporate donations (\$)	214,052	296,078	263,118	455,065	196,334
Employee volunteering activities (\$)	75,191	74,858	147,189	44,916	21,231
In-kind support (\$)	437,258	626,596	794,729	632,544	614,237
Total (\$)	726,501	997,532	1,205,035	1,132,525	831,802
Hours volunteered					
Dexus volunteering program (hours)	853	878	1,711	493	220

Charitable donations

Activities comprise:

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

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

Volunteering

Employee volunteering activities include:

- Volunteering leave taken in company time by Dexus employees to undertake community work
- Participation on charity committees/boards where the individual is acting in the capacity as a Dexus employee

Volunteer hours are calculated as the total full-time equivalent hours worked by employees in nominated community and charitable activities, capped at 7.6 hours per employee which is equivalent to Dexus's volunteering leave entitlement.

Future Enabled Customers and Strong Communities continued

Supply chain

Procurement and supply chain monitoring	FY17	FY18	FY19	FY20	FY21
Critical suppliers	113	111	96	175	94
Critical suppliers % of operational spend	42	45	38	37	44
Supplier Net Promoter Score ¹	–	+67	+66	+51	+66
Supplier assessment and monitoring					
Supplier engagement assessment response rate (%)	38	35	68	70	31
Assessment coverage of operational spend (%)	14	26	38	53	27
Contractor monitoring spot checks conducted	919	1,190	1,163	1,150	1,357
Contractor monitoring coverage of operational spend (%)	36	39	41	36	43

1. Net Promoter Score is based on a range of -100 to +100.

Commentary and methodology

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

Operational procurement spend breakdown	%	Environmental and social risk rating (key risks)
Capital Works	27	High (safety, product country of origin human rights, product recyclability, worker skill levels, appropriate wages and benefits, subcontracting)
Statutory fees and levies	21	Very low
Cleaning	10	High (appropriate wages and benefits, migrant labour, safe handling of chemicals, waste environmental impacts)
Maintenance & other property expenses	10	Low
Facility managers & management expenses	5	Very low
Mechanical & vertical transport	5	Medium (safety, working in confined spaces, accreditation systems)
Energy	5	Medium (greenhouse gas emissions, land degradation, price and supply reliability)
Security	4	Medium (safety, worker skill levels, public relations)
Electrical, fire protection and plumbing	4	Low
Legal, insurance and compliance	3	Low
Marketing & leasing	2	Low
Façade and grounds keeping	2	High (product country of origin human rights, product recyclability, worker skill levels, appropriate wages and benefits, safety)
Water	1	Medium
Other costs	<1	Low

Commentary and methodology

Operational spend data relates to all non-development related spend with external providers and is collected from Dexus's financial system and assigned to a spend category based on the supplier name and the code attributed to the spend item. Risk ratings are based on a periodic group-wide supply chain sustainability risk assessment that identifies and categorises the environmental risks relevant to our geographical operations and the types of products and services we procure. For more information on our approach to supply chain management please refer to the 2021 Sustainability Approach and Procedures. Numbers may not add to 100 because of rounding.

Enriched Environment



The environmental data in this section supports the performance reporting in the 2021 Sustainability Performance Pack.

For background on the management frameworks and procedures related to our workforce please refer to the 2021 Sustainability Approach and Procedures on page 158.

Glossary

Term	Description
Carbon emissions	See GHG
Carbon offset	Fully accredited and traded carbon credits from programs such as The Gold Standard and the Verified Carbon Standard from project activities that prevent, reduce or remove greenhouse gas emissions from being released into the atmosphere to compensate for emissions occurring elsewhere.
Climate Active	Australia's Climate Active Carbon Neutral Program
CFCs	Chlorofluorocarbons (CFCs) are nontoxic, non-flammable chemicals containing atoms of carbon, chlorine, and fluorine. CFCs are believed to be a major cause of stratospheric ozone depletion.
Energy productivity	An indicator of the amount of economic output derived from each unit of energy consumed Emissions productivity.
Emissions productivity	An indicator of the amount of economic output derived from each unit of greenhouse gas emissions
ESC	Energy Savings Certificate (a tradeable certificate created from accredited savings under the ESS)
ESS	NSW Government Energy Savings Scheme
GBCA	Green Building Council of Australia
GHG	Greenhouse gas emissions, measured in equivalent tonnes of carbon dioxide (t CO ₂ -e) - (gases that contribute to climate change, the main ones being carbon dioxide CO ₂ , methane CH ₄ , nitrous oxides NO _x , sulphur oxides SO _x , Nitrogen Trifluoride NF ₃ and HCFCs). Also referred to as carbon emissions.
GHG Protocol	The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – guidance on accounting and reporting greenhouse gas emissions
Greenhouse Gas Protocol: Scope 2 Guidance	Guidance on accounting and reporting Scope 2 emissions
GreenPower	Emission-free electricity sourced via a certified GreenPower Product
Green Star	An environmental rating tool, administered by the GBCA for commercial design and construction, used to evaluate a building's impact against eight categories.
GRESB	Global Real Estate Sustainability Benchmark
HCFCs	Hydrochlorofluorocarbons (HCFCs) are compounds containing carbon, hydrogen, chlorine and fluorine. Industry and the scientific community view certain chemicals within this class of compounds as acceptable temporary alternatives to chlorofluorocarbons. The HCFCs have shorter atmospheric lifetimes than CFCs and deliver less reactive chlorine to the stratosphere where the "ozone layer" is found.
LGC	Large-scale generation certificate (a tradeable certificate generated from producing renewable energy).
NABERS	National Australian Built Environment Rating System
NGER	National Greenhouse and Energy Reporting Act
RE100	Voluntary initiative for companies committed to sourcing 100% renewable power
RPP	Renewable Power Percentage , published annually by Australia's Clean Energy Regulator
SBT, SBTi	Science-based target, Science Based Targets initiative
SIP	Strategic Improvement Plan, prepared by Dexus that capture energy, water and waste improvement opportunities and forecast a pathway towards resource efficiency targets.
TCFD	Task Force on Climate-related Financial Disclosure – a set of recommendations for voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders

Resource consumption data preparation

Resource consumption data is derived from office, industrial, retail and healthcare properties owned or managed by Dexu for part or all of the 12 months ending 30 June 2021, with the inclusion of Dexu corporate tenancies.

Dexu has prepared its environmental dataset to fully align with NGER by adding minor source items and confirming calculation methods and factors. Prior years' data has been updated to reflect current information where applicable, resulting in minor restatements. Repetition only occurs when there is an overlap of reporting periods. There may be small discrepancies in the totals in some tables due to rounding.

Like-for-like data has been based on a portfolio whereby operational control and data for energy and water was available for the full 24-month like-for-like period.

Reporting boundaries

Boundary name and description	Used for
Dexu operational control for corporate reporting	
Dexu has applied the principles contained within the National Greenhouse and Energy Reporting Act 2007 and its associated guidelines to determine the operational control of its properties across Australia. Dexu has operational control of a facility if it has the authority to introduce and implement any or all of the operating, health and safety and environmental policies for the facility. Where Dexu has operational control of a facility, it reports 100% of energy, water, waste and emissions applicable to base building operations. Dexu excludes energy consumption from tenant spaces where the tenant receives separately metered energy invoices and excludes whole facilities where they are leased to a single tenant occupying the entire premises.	<ul style="list-style-type: none"> – Group managed portfolio – environmental inventory and intensities pages 87–89 – Group managed portfolio – market-based emissions inventory page 90 – Progress against commitments and performance targets page 92
Equity share boundary based on landlord control for fund reporting	
'Landlord controlled' and 'tenant controlled' areas are defined by GRESB within its 2021 Real Estate Assessment Reference Guide. In essence, this boundary consists of reporting on all common area building spaces and services on all properties within a Dexu entity on an equity share basis, irrespective of whether Dexu or another landlord has operational control. The separation is defined between landlord and tenant, not between operators. Tenant spaces, and buildings that are wholly under the control of tenants (e.g. through triple net leases) are not reported, with the exception of Dexu Healthcare Property Fund which reports whole buildings.	<ul style="list-style-type: none"> – NABERS portfolio averages pages 96–97 – Portfolio environmental metrics and intensities (pages 98–107): <ul style="list-style-type: none"> – Dexu (DXS) listed portfolio – Dexu Wholesale Property Fund (DWPF) portfolio – Dexu Office Trust (DOT) portfolio – Dexu Healthcare Property Fund (DHPF) portfolio
Carbon neutrality	
Dexu has defined a 'Corporate carbon neutral boundary' for the purposes of achieving carbon neutrality under Australia's Climate Active Carbon Neutral Standard. The boundary includes Dexu regional office tenancies and proportion of corresponding base building services attributable to each tenancy, as well as corporate travel across all staff employed directly by Dexu nationally.	<ul style="list-style-type: none"> – Dexu corporate operations – Voluntary greenhouse gas abatement (page 91)

Location-based vs market-based emissions accounting

Dexu has traditionally reported its greenhouse gas emissions in accordance with NGER and the GHG Protocol using 'location-based' emissions accounting, whereby Scope 2 and Scope 3 emissions from electricity purchases are accounted for using published state-based electricity grid emissions factors.

In conjunction with Dexu's target to achieve net zero greenhouse gas (GHG) emissions by 2022, since 2018 Dexu has also adopted market-based emissions accounting as defined within the GHG Protocol Scope 2 Guidance. Market-based electricity emissions calculations take into account purchases of renewable energy directly via Power purchase Agreements or GreenPower and supplied via retailers in line with Australia's Renewable Energy Target.

Dexu has separated its electricity purchases between renewable electricity (direct purchases and indirect via retailers), which is accounted for as zero emissions, and remaining non-renewable electricity, which is deemed to be derived from fossil fuels, where emissions are accounted for by applying state-based 'residual mix factors'.

Residual mix factors representing the emissions from fossil fuel electricity generators are derived from the Scope 2 & 3 location-based factors above for each state, by scaling them for the proportion of electricity generated from fossil fuels by subtracting the Renewable Power Percentage (RPP) from total (or 100%) of electricity supplied. This approach assumes that the proportion of renewable energy is equitably distributed across Australia.

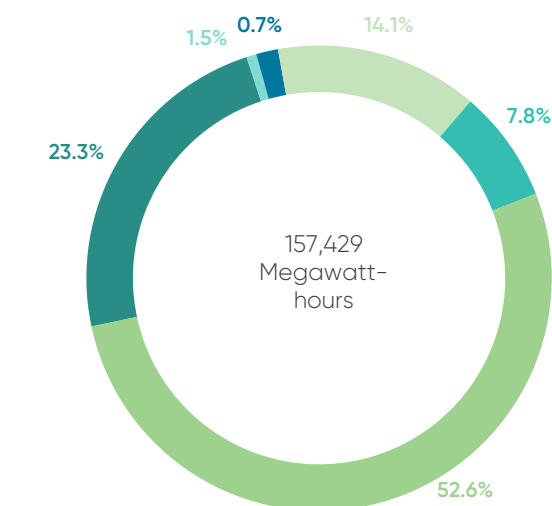
Refer to the Dexu 2021 Assurance Criteria at pages 199–207 for further details including the list of consumption and emission sources, and references for factors that have been applied.

Group managed portfolio – environmental inventory

Metric	Base year ¹	FY17	FY18	FY19	FY20	FY21
Greenhouse gas emissions (t CO₂-e) – Group managed portfolio						
Scope 1	6,226	19,695	18,912	17,712	17,271	16,361
Scope 2 (location-based)	151,951	128,878	131,212	127,311	117,668	97,219
Subtotal Scope 1 & 2	158,177	148,573	150,124	145,023	134,940	113,580
Scope 3 – property portfolio	27,600	35,223	36,278	32,566	27,427	21,083
Scope 3 – corporate operations	–	1,869	1,859	2,335	1,467	633
Total Scopes 1, 2 & 3⁴	185,776	185,664	188,261	179,924	163,834	135,296
Energy and water consumption						
Total net energy consumption (GJ) ⁴	735,723	727,831	723,623	689,491	643,321	566,745
Total net energy consumption (MWh)	204,368	202,175	201,006	191,525	178,700	157,429
Water consumption (kL) ⁴	1,350,003	1,678,851	1,771,962	1,727,830	1,519,750	1,069,700
Waste and recycling						
Waste to Landfill (tonnes)	4,828	9,468	10,450	9,615	7,965	5,194
Recycling (tonnes) ²	3,730	7,007	7,001	6,363	4,907	2,850
Total waste (tonnes)^{2,4}	8,559	16,475	17,451	15,977	12,873	8,043
Diversion (%)	44%	43%	40%	40%	38%	35%
Waste data coverage across portfolio ³	70%	98%	99%	100%	100%	99%

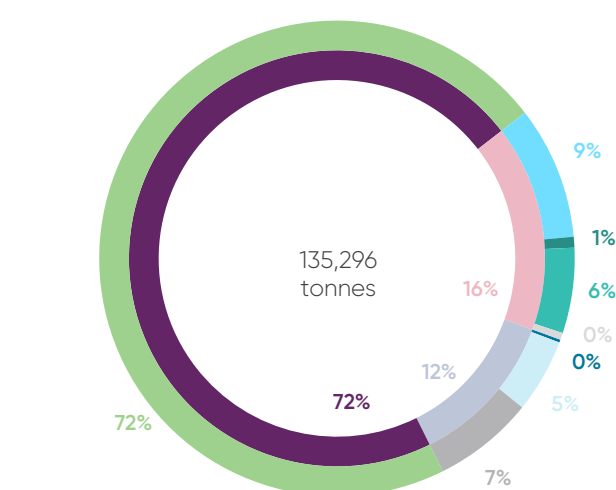
1. FY08 represents the group's base year for energy, water and greenhouse gas emissions. FY12 represents the group's base year for waste diversion from landfill.
2. Excludes secure paper.
3. Coverage by net lettable area across office and retail portfolio, excludes industrial properties as Dexu does not manage waste.
4. FY21 data independently assured.

FY21 primary energy use by source (MWh)



- Non-renewable Electricity Grid residual mix
- Natural gas
- Renewable Electricity grid supplied (LGCs)
- Renewable Electricity GreenPower purchases
- Diesel
- Solar energy

FY21 GHG emissions by source (location-based)



- Electricity
- Energy transmission & distribution
- Water and wastewater
- Waste and recycling
- Corporate travel & consumables
- Diesel
- Natural gas
- Refrigerants
- Scope 1
- Scope 2
- Scope 3

Enriched Environment continued

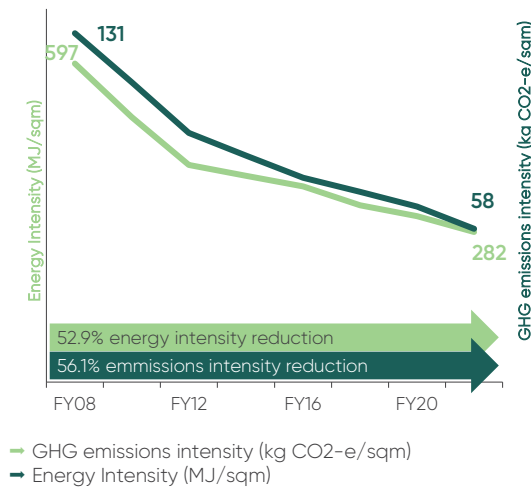
Group managed portfolio – consumption/emissions on an intensity basis

Metric	Managed portfolio				Like-for-like ²		
	Base year ¹	FY19	FY20	FY21	FY20	FY21	12 month change
Group Office portfolio							
Energy consumption (MJ/sqm)	597	339	311	282	309	281	-8.9%
Water consumption (L/sqm)	893	694	585	402	595	431	-27.6%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	131	72	66	58	66	59	-11.0%
Waste diversion from landfill	57%	43%	41%	37%	42%	37%	-12.3%
Group Retail portfolio							
Energy consumption (MJ/sqm)	489	370	326	291	391	327	-16.4%
Water consumption (L/sqm)	1,267	1,081	906	731	941	821	-12.7%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	94	76	65	50	74	57	-22.9%
Waste diversion from landfill	31%	35%	34%	33%	35%	32%	-8.0%
Group Industrial portfolio							
Energy consumption (MJ/sqm)	51.6	14.8	13.8	14.9	13.8	14.2	3.1%
Water consumption (L/sqm)	237	280	261	215	234	229	-2.3%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	12.9	3.1	2.9	3.0	2.8	2.8	-0.8%
Group Healthcare portfolio							
Energy consumption (MJ/sqm)	-	-	-	334	-	-	-
Water consumption (L/sqm)	-	-	-	136	-	-	-
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	-	-	-	59	-	-	-

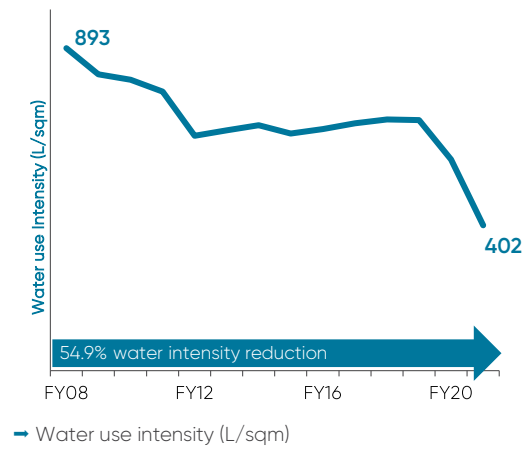
1. FY08 represents the group's base year for energy, water and greenhouse gas emissions. FY12 represents the group's base year for waste diversion from landfill.
2. Properties under landlord control for FY20 and FY21 periods.

Group managed portfolio – consumption/emissions on an intensity basis

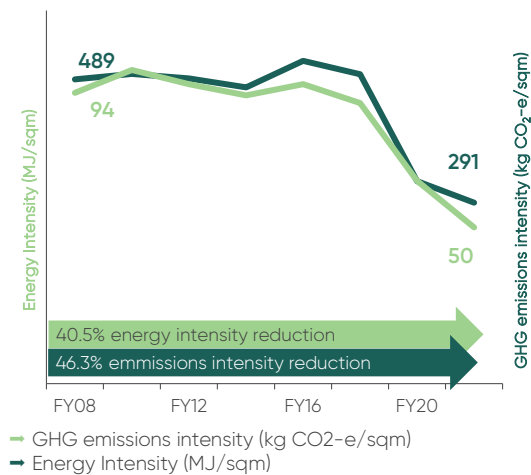
Group Office – Energy and GHG emissions intensity



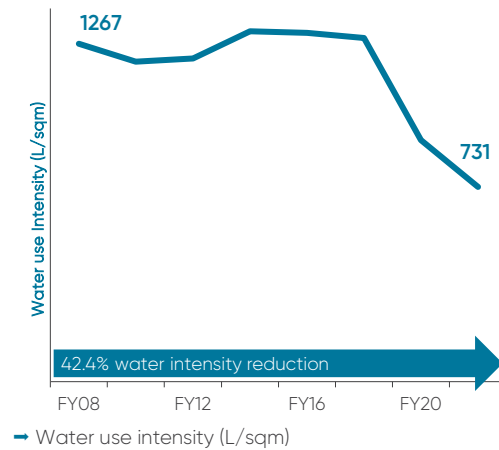
Group Office – Water use intensity



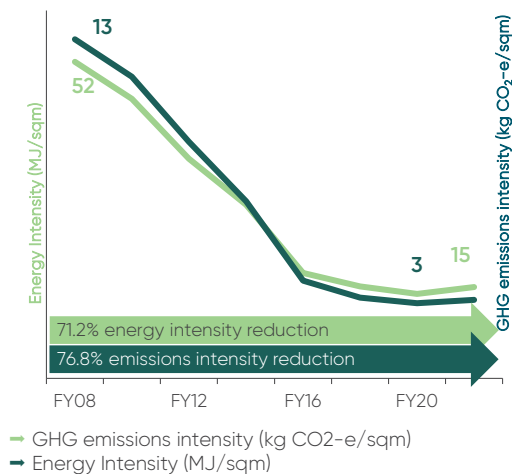
Group Retail – Energy and GHG emissions intensity



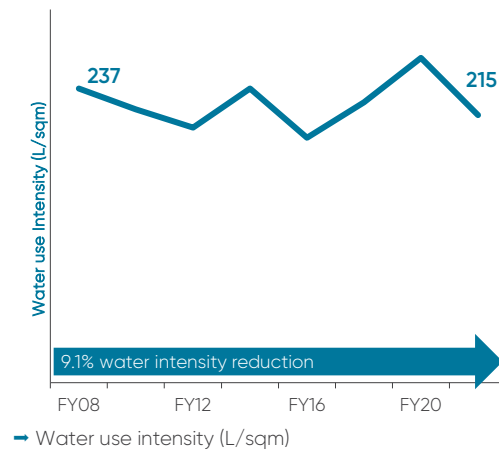
Group Retail – Water use intensity



Group Industrial – Energy and GHG emissions intensity



Group Industrial – Water use intensity



Enriched Environment continued

Group managed portfolio – Market-based emissions inventory

Metric		FY08	FY17	FY18	FY19	FY20	FY21
Grid-purchased electricity							
Renewable Electricity – Direct voluntary renewable electricity purchases supported by an energy attribute certificate	GJ	54,092	19,453	13,871	25,476	33,387	44,331
	MWh	15,025	5,404	3,853	7,077	9,274	12,314
Renewable Electricity – Renewable energy portion of grid-purchases (LGCs) via Energy Retailers in line with Australia's Renewable Energy Target (RET)	GJ	35,547	72,433	83,647	94,410	96,408	79,901
	MWh	9,874	20,120	23,235	26,225	26,780	22,195
Non-renewable Electricity – Balance of grid-purchases via Energy Retailers accounted using grid residual mix emission factors	GJ	525,348	445,250	454,972	424,891	378,819	297,964
	MWh	145,930	123,680	126,381	118,025	105,227	82,768
Total grid-purchased electricity consumption	GJ	614,987	537,135	552,491	544,777	508,613	422,196
	MWh	170,830	149,204	153,470	151,327	141,281	117,277
Market-based GHG emissions (t CO₂-e)²							
Scope 1 GHG emissions (t CO ₂ -e)		6,226	19,695	18,912	17,712	17,271	16,361
Scope 2 market-based GHG emissions (t CO ₂ -e), comprising:		137,441	123,117	127,412	120,066	108,107	84,648
<i>Electricity – Renewable purchases accounted using source-based emission factor supported by an energy attribute certificate</i>		0	0	0	0	0	0
<i>Electricity – grid-purchases accounted using grid residual mix emission factors</i>		137,441	123,117	127,412	120,066	108,107	84,648
Scope 3 GHG market-based emissions (t CO ₂ -e)		25,058	36,381	37,594	34,043	27,844	20,281
Scope 1, 2 & 3 market-based GHG emissions (t CO₂-e)		168,725	179,192	183,917	171,821	153,223	121,291
Voluntary offsetting							
Voluntary offsets surrendered by Dexus ¹		0	2,700	3,000	3,725	5,000	2,500
Net GHG emissions (t CO₂-e)²		168,725	176,492	180,917	168,096	148,223	118,791

1. Offsets comprise eligible offset units, each relating to 1 tonne of carbon dioxide equivalent, recognised under Australia's Climate Active Carbon Neutral Standard.

2. FY21 data independently assured.

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

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

Dexus corporate operations – Voluntary greenhouse gas abatement

Dexus participates in Climate Active, the Australian Government Carbon Neutral program, and maintains carbon neutral certification for its corporate operations under the Climate Active Carbon Neutral Standard.

In 2011 Dexus was the first real estate investment trust in Australia to achieve a carbon neutral certification for our head office. Since then, the reporting boundary has been expanded across corporate operations, including:

- Dexus office tenancies for Sydney, Brisbane and Melbourne, and proportion of base building services attributable to those tenancies
- Corporate travel and employee commuting for all staff employed directly by Dexus nationally

The group has offset:

- Direct emissions from refrigeration and electricity usage
- Indirect tenancy-related emissions including waste and recycling, office paper use and stationery, water & wastewater, telecommunications, IT equipment and data warehousing, and catering
- Indirect employee-related emissions including corporate air travel, car mileage claimed for national employees, taxi travel, hire cars and employee commuting

Metric	FY17	FY18	FY19	FY20	FY21
Greenhouse gas emissions (t CO₂-e)					
Scope 1	1	1	0	0	0
Scope 2	266	311	379	389	570
Scope 3 comprising the following:	2,246	2,269	2,794	1,958	1,471
<i>tenancies and base building energy/refrigerants</i>	365	389	443	540	814
<i>office paper use and waste</i>	18	19	19	25	33
<i>corporate travel</i>	898	1,039	1,095	714	35
<i>employee commuting</i>	507	561	528	217	164
<i>IT, catering, accommodation, water use</i>	458	261	709	462	425
Avoided emissions from renewable energy purchased by Dexus	-2	0	-4	-10	-97
Avoided emissions from carbon neutral products purchased by Dexus	0	-6	-6	-12	-9
Total emissions (Scopes 1, 2 & 3)	2,512	2,575	3,164	2,325	1,936
Voluntary carbon abatement (t CO₂-e)					
Carbon offsets purchased and retired by Dexus	2,700	3,000	3,725	5,000	2,500

Energy Savings Scheme

Dexus creates Energy Savings Certificates (ESCs) through participation in the NSW Energy Savings Scheme (ESS) for improvements in base building energy efficiency. The NSW Government scheme is administered by the NSW Independent Pricing and Regulatory Tribunal. ESCs are earned for each demonstrated tonne of carbon dioxide saved. Each ESC is equivalent to 1 tonne of carbon dioxide equivalent (t CO₂-e).

Energy Savings Certificates (ESCs)	Up to FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
Energy consumption avoided ¹	64,554	21,041	31,883	4,339	11,241	6,540	5,930	1,415
ESCs created ²	68,426	22,303	33,796	4,599	11,915	6,932	6,286	1,500
ESCs traded ²	32,446	58,093	15,934	18,052	16,514	0	0	0

1. According to the ESS rule, each ESC has a value of 1 notional megawatt hour, where each notional megawatt hour is attributable to energy savings arising from a recognised energy saving activity (undertaken by Dexus group). These notional savings are reported as energy consumption avoided and are converted from actual electricity and gas savings using factors of 1.06 and 0.39 respectively.
2. Includes 25,389 ESCs transferred to Dexus for properties acquired within the Dexus Office Partnership in April 2014.

Enriched Environment continued

Progress against commitments and performance targets

Progress: Achieve net zero emissions by 2022 across managed portfolio

Dexus committed to achieve net zero emissions across its managed portfolio by 2022. This year, Dexus advanced its original 2030 target deadline which was set in FY18. The table below reports on Dexus's total Scope 1, 2 and 3 (market-based) emissions, voluntary abatement, and total net greenhouse gas emissions since FY18.

Net zero by 2030 progress (t CO ₂ -e)	FY18	FY19	FY20	FY21	FY22 target
Total Scope 1 & 2 market-based GHG emissions	146,323	137,778	125,378	101,010	
Scope 3 market-based GHG emissions	37,594	34,043	27,844	20,281	
Voluntary abatement via Certified Offsets	-3,000	-3,725	-5,000	-2,500	
Total net greenhouse gas emissions	180,917	168,096	148,223	118,791	0

Progress: Scope 1 and 2 science-based target, 70% reduction by 2030 against FY18 baseline

Dexus has received certification from the Science Based Targets initiative that its Scope 1 and 2 target of a 70% reduction by 2030 (FY18 baseline) is aligned with the ambitions of the UN Paris Agreement. Dexus's science-based target is part of Dexus's pathway to achieve net zero emissions by 2030.

Scope 1 & 2 science-based target progress	FY18	FY19	FY20	FY21	FY30 target
Dexus Scope 1 emissions (t CO ₂ -e)	18,912	17,712	17,271	16,361	
Dexus Scope 2 market-based emissions (t CO ₂ -e)	127,412	120,066	108,107	84,648	
Dexus Scope 1 & 2 market-based emissions (t CO ₂ -e)	146,323	137,778	125,378	101,010	44,396
Net lettable area (sqm)	2,843,921	2,845,443	2,929,678	2,919,856	

Progress: 100% of electricity needs sourced from renewables (RE100)

100% renewable electricity target	FY18	FY19	FY20	FY21	FY30 target
Proportion of electricity needs sourced from renewables	18%	22%	26%	31%	100%

Progress: Deliver an average 5 star NABERS Indoor Environment across the group office portfolio by FY25

In FY20, Dexus committed to deliver an average 5 star NABERS Indoor Environment rating across the group office portfolio by FY25, delivering initiatives to enhance occupant health and wellbeing.

NABERS Indoor Environment	FY18	FY19	FY20	FY21	FY25 target
Group office portfolio average	-	-	4.0	4.7	5.0
Net lettable area covered (%)	-	-	66%	65%	>95%

Dexus group portfolio – Environmental metrics

Energy consumption and production by source

Energy		FY08 ¹	FY17	FY18	FY19	FY20	FY21
Fuels	Natural gas	33,272	51,129	45,942	38,168	35,824	36,661
	Diesel	266	1,566	1,303	1,705	1,032	1,089
Renewable electricity	Solar energy	0	276	292	325	562	2,403
	Purchased renewable electricity	9,874	20,120	23,235	26,225	26,780	22,195
	Green Power purchases	15,025	5,404	3,853	7,077	9,274	12,314
Non-renewable electricity	Purchased non-renewables (grid)	145,930	123,680	126,381	118,025	105,227	82,768
	Electricity consumed from on-site thermal generation	106	902	813	1,007	975	2,839
Total energy consumption		204,474	203,078	201,819	192,532	179,675	160,268
Energy production (MWh)							
Electricity produced from thermal generation for on-site use		106	627	521	682	413	436
Electricity produced from thermal generation and exported		0	0	0	0	0	0
Electricity produced from solar generation for on-site use		0	276	292	325	562	2,403
Electricity produced from solar generation and exported		0	0	0	0	0	0
Total energy production		106	902	813	1,007	975	2,839
Total net energy consumption		204,368	202,175	201,006	191,525	178,700	157,429
Renewable energy use							
Total renewable energy consumption		24,900	25,799	27,380	33,627	36,616	36,912
Proportion of group energy consumption from renewable sources		12.2%	12.8%	13.6%	17.6%	20.5%	23.4%
Total renewable electricity consumption		24,900	25,799	27,380	33,627	36,616	36,912
Proportion of group electricity consumption from renewable sources		14.6%	17.2%	17.7%	22.1%	25.7%	30.7%

1. FY08 represents the group's base year.

Net energy consumption comprises energy that is consumed within properties as measured at the property boundary and accounts for energy produced or consumed within a property through energy transformations such as cogeneration. Net energy consumption excludes energy that is purchased or generated by Dexus and on-sold to customers or exported off-site. Dexus does not consume or export steam, heating or cooling from/to district thermal sources.

Water consumption by source

Water consumption (kL or cubic metres)		FY08 ¹	FY17	FY18	FY19	FY20	FY21
Water consumption (kL or cubic metres)		837,781	1,088,096	1,142,668	1,144,305	982,980	685,992
Office		370,229	401,340	423,834	332,269	289,959	168,121
Retail		141,993	181,400	194,892	246,441	239,947	208,142
Industrial		0	0	0	0	0	1,111
Total potable water consumption		1,350,003	1,670,836	1,761,394	1,723,016	1,512,886	1,063,366
Recycled water recovery		0	8,015	10,568	4,815	6,863	6,335
Total water consumption including recycled water		1,350,003	1,678,851	1,771,962	1,727,830	1,519,750	1,069,700

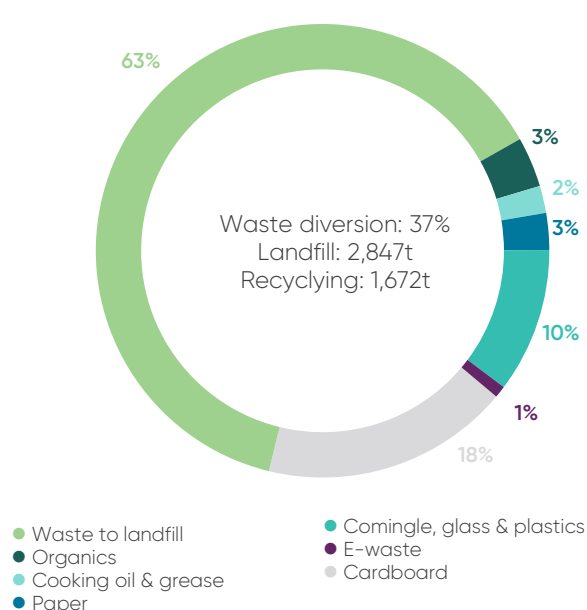
1. FY08 represents the group's base year.

Enriched Environment continued

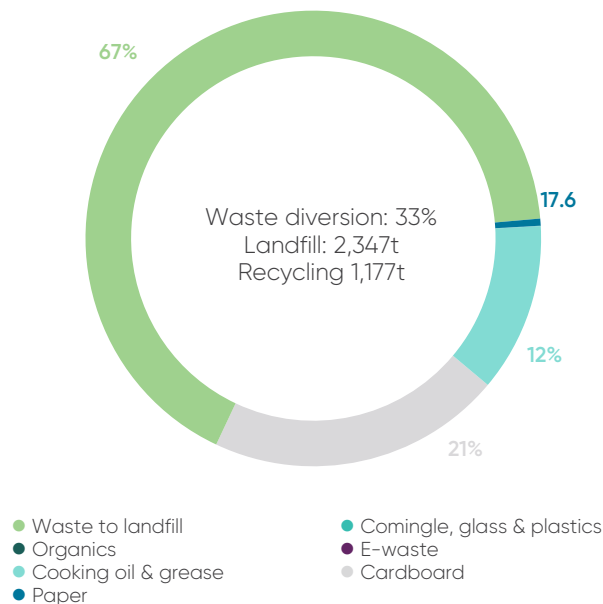
Waste and recycling from property operations by stream

FY21 waste stream (tonnes)	Office	Retail	
Dexus managed waste collection			
Cardboard	800	736	Sent to Environment Protection Agency (EPA) licensed receiving facilities that process into raw materials for new products or packaging or on transferred to waste to energy recovery facilities for combustion.
Paper	119	1	
Comingle	466	422	
Organics and used cooking oil	249	18	Sent to EarthPower or similar receiving facility for conversion to green energy and nutrient-rich fertiliser. Energy is produced through the burning of biogases that are produced by the bacteria that digest the organic waste. The digested organic component can then be processed into a fertiliser pellet.
E-waste	38	0	Collected by MRI and sent to their handling facilities for structured disassembly with recovery rate of over 96%.
Waste to landfill	2,847	2,347	Sent directly to landfill or to receiving stations that may process the waste within a bio-reactor to produce energy, conduct downstream material separation and recycling and/or on transferred to waste to energy recovery facilities for combustion.
Total waste & recycling (tonnes)	4,519	3,524	
Tenant managed waste collection outside Dexus's waste reporting boundary			
Secure paper	22	0	

FY21 Operational waste by stream – Office



FY21 Operational waste by stream – Retail



Waste intensity (kg per sqm)	FY17	FY18	FY19	FY20	FY21
Office – total waste	6.4	6.4	6.0	4.5	2.7
Retail – total waste	22.3	22.2	20.1	16.7	15.3
Office – waste to landfill	3.3	3.5	3.4	2.6	1.7
Retail – waste to landfill	14.8	14.8	13.0	11.1	10.2

Emissions of ozone depleting substances

	FY08	FY17	FY18	FY19	FY20	FY21
Emissions of ozone depleting substances (t CFC-11e)	n/a	1.2	1.2	1.2	1.2	1.2

Dexus does not produce CFCs, HCFCs, halon or methyl bromide. Minor amounts of gases are used in air conditioning units across properties under management. Ozone-depleting substances are being phased out as required.

Greenhouse gas emissions by gas type

Greenhouse gas emissions (t CO ₂ -e)	FY08	FY17	FY18	FY19	FY20	FY21
Direct greenhouse gas emissions						
Carbon dioxide (CO ₂)	6,207	9,855	8,829	7,492	6,889	7,058
Methane (CH ₄)	12	19	17	14	13	14
Nitrous oxide (N ₂ O)	7	7	6	5	5	5
Hydrofluorocarbons (HFCs)	0	9,814	10,060	10,200	10,365	9,285
Sulphur hexafluoride (SF ₆)	0	0	0	0	0	0
Perfluorocarbon (PFC)	0	0	0	0	0	0
Nitrogen trifluoride (NF ₃)	0	0	0	0	0	0
Scope 1 GHG emissions	6,226	19,695	18,912	17,712	17,271	16,361
Indirect greenhouse gas emissions						
Scope 2 location-based GHG emissions	151,951	128,878	131,212	127,311	117,668	97,219
Scope 3 location-based GHG emissions	27,600	37,091	38,137	34,901	28,895	21,716
Scope 1, 2 & 3 location-based GHG emissions	185,776	185,664	188,261	179,924	163,834	135,296

Dexus has determined its emissions resulting from the common greenhouse gases reported under the Kyoto Protocol, being carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and Nitrogen Trifluoride (NF₃). Emissions are aggregated into carbon dioxide equivalents (CO₂-e) using factors called global warming potentials (GWPs).

Greenhouse gas emissions by source

Greenhouse gas emissions (t CO ₂ -e)	FY08	FY17	FY18	FY19	FY20	FY21
Natural gas	6,159	9,485	8,523	7,081	6,646	6,801
Diesel	67	396	329	431	261	275
Refrigerants	0	9,814	10,060	10,200	10,365	9,285
Electricity – location-based	151,951	128,878	131,212	127,311	117,668	97,219
Total Scope 1 & 2 location-based GHG emissions	158,177	148,573	150,124	145,023	134,940	113,580
Energy transmission and distribution	26,304	19,503	19,043	16,837	14,507	12,235
Waste to landfill	0	11,361	12,540	11,537	9,558	6,752
Recycled waste	0	2,787	2,783	2,393	1,751	1,102
Water & wastewater	1,295	1,572	1,912	1,799	1,610	996
Corporate sources	0	1,869	1,859	2,335	1,467	633
Total Scope 3 location-based GHG emissions	27,600	37,091	38,137	34,901	28,895	21,716

Enriched Environment continued

NABERS ratings – Office portfolio

NABERS portfolio average (star) ¹	FY16	FY17	FY18	FY19	FY20	FY21
Dexus portfolio						
NABERS Energy with GreenPower	4.8	4.8	4.9	5.0	5.0	5.1
NABERS Energy	4.5	4.5	4.7	4.8	4.8	5.0
NABERS Water	3.7	3.6	3.6	3.6	3.7	4.5
Dexus Office Partnership						
NABERS Energy with GreenPower	4.8	4.9	4.9	4.9	5.0	5.1
NABERS Energy	4.7	4.7	4.8	4.7	4.8	5.0
NABERS Water	3.9	3.9	3.7	3.7	4.0	4.8
Funds management portfolio						
NABERS Energy with GreenPower	4.8	4.9	4.9	4.9	5.0	5.0
NABERS Energy	4.4	4.6	4.7	4.7	4.8	5.0
NABERS Water	3.6	3.7	3.6	3.5	3.7	4.5
Dexus Wholesale Property Fund						
NABERS Energy with GreenPower	4.6	4.8	4.8	4.8	5.0	5.0³
NABERS Energy	4.2	4.5	4.6	4.7	4.8	5.0³
NABERS Water	3.3	3.3	3.3	3.2	3.5	4.1³
Dexus group office portfolio						
NABERS Energy with GreenPower	4.8	4.8	4.9	5.0	5.0	5.1
NABERS Energy	4.5	4.6	4.7	4.8	4.8	5.0
NABERS Water	3.7	3.6	3.6	3.5	3.7	4.5
NABERS Waste ²	–	–	–	–	2.7	2.7
NABERS Indoor Environment ²	–	–	–	–	4.0	4.7

1. As at 30 June each year.

2. Dexus commenced publishing portfolio average ratings for NABERS Waste and NABERS Indoor Environment in FY20.

3. Includes assets directly owned by DADPF.

NABERS ratings – Retail portfolio

NABERS portfolio average (star) ¹	FY16	FY17	FY18	FY19	FY20	FY21
Dexus Wholesale Property Fund						
NABERS Energy	3.3	3.4	3.4	4.1	4.0	4.4
NABERS Water	3.4	2.7	2.6	3.2	2.9	3.6
Funds management portfolio						
NABERS Energy	3.6	3.6	3.6	4.1	4.1	4.4
NABERS Water	3.2	2.7	2.7	3.1	2.9	3.6
Dexus Wholesale Property Fund – managed portfolio						
NABERS Energy	3.4	3.1	3.5	4.0	4.0	4.2²
NABERS Water	4.2	3.2	3.5	3.8	4.0	4.0²
Funds management portfolio – managed portfolio						
NABERS Energy	3.6	3.3	3.5	3.9	4.0	4.0
NABERS Water	4.1	3.5	3.5	3.6	3.7	3.9

1. As at 30 June each year.

2. Includes assets directly owned by DADPF.

Enriched Environment continued

Dexus (DXS) portfolio – Environmental metrics

Dexus portfolio – Absolute and like-for-like inventories

Metric		Absolute				Like-for-like ²		
		Base year ¹	FY19	FY20	FY21	FY20	FY21	12 month change
Energy consumption (MWh)								
Non-renewable energy	Natural gas	23,211	16,890	16,817	17,050	13,861	13,899	0.3%
	Diesel	182	725	450	474	415	435	4.7%
	Electricity – grid-purchases	72,625	50,890	46,861	38,592	42,399	34,999	-17.5%
Total non-renewable energy consumption		96,018	68,505	64,128	56,116	56,676	49,334	-13.0%
Renewable energy	Electricity – GreenPower and LGC purchases	12,496	15,068	17,388	17,118	15,192	16,148	6.3%
	Solar energy	0	182	398	362	352	360	2.1%
Total renewable energy consumption		12,496	15,249	17,785	17,480	15,544	16,507	6.2%
Total energy consumption		108,514	83,755	81,914	73,596	72,220	65,841	-8.8%
Percent energy use from renewable sources		11.5%	18.2%	21.7%	23.8%	21.5%	25.1%	16.5%
Water (kL or cubic metres)								
Potable water from water authorities		619,078	718,765	654,931	480,363	570,724	454,860	-20.3%
Recycled water recovery		0	1,834	2,489	2,266	2,489	2,266	-9.0%
Total water consumption incl. recycled water		619,078	720,599	657,421	482,630	573,213	457,127	-20.3%
Percent water use from recycled sources		0.0%	0.3%	0.4%	0.5%	0.4%	0.5%	
Waste and recycling (tonnes)								
Waste to landfill		1,513	3,182	2,753	1,969	2,506	1,762	-29.7%
Recycled waste		1,665	2,377	1,873	1,206	1,745	1,046	-40.0%
Total waste		3,178	5,559	4,627	3,175	4,251	2,808	-33.9%
Diversion from landfill		52.4%	42.8%	40.5%	38.0%	41.0%	37.3%	-9.2%
Percent waste data coverage (office & retail)		69%	100%	100%	100%	100%	100%	0.3%
Greenhouse gas emissions (t CO₂-e)								
Scope 1		4,335	7,452	7,586	7,340	6,489	6,512	0.4%
Scope 2 – location-based		78,702	54,905	53,352	45,867	47,674	41,854	-12.2%
Scope 3 – location-based GHG emissions		14,521	12,803	11,219	9,196	10,045	8,293	-17.4%
Scope 2 – market-based		70,581	51,243	48,066	39,135	43,321	35,247	-18.6%
Scope 3 – market-based GHG emissions		13,096	12,362	10,643	8,434	9,577	7,545	-21.2%
Total Scope 1, 2 & 3 location-based GHG emissions		97,558	75,160	72,156	62,403	64,208	56,659	-11.8%
Total Scope 1, 2 & 3 market-based GHG emissions		88,011	71,057	66,294	54,909	59,387	49,304	-17.0%
Equity – accounted lettable area under landlord control (annual weighted average square metres)								
Office		528,437	840,344	877,178	875,490	780,892	779,531	-0.2%
Retail		9,459	21,851	40,979	54,338	21,874	23,927	9.4%
Industrial		394,517	334,233	321,995	324,402	305,665	307,903	0.7%
Healthcare		0	0	0	2,050	0	0	

Dexus portfolio – Absolute and like-for-like inventories continued

Energy and emissions productivity (market-based)					
Revenue (\$m)	702	1,126	1,381 ³	1,378	
Energy productivity (\$m revenue per GJ consumed)	1,798	3,733	4,681	5,199	2.89x energy productivity
Scope 1 & 2 emissions productivity (\$m revenue/t.CO ₂ -e)	9,373	19,177	24,806	29,639	3.16x emissions productivity
Scope 1, 2 & 3 emissions productivity (\$m revenue/t.CO ₂ -e)	7,979	15,841	20,824	25,087	3.14x emissions productivity

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under landlord control for FY20 and FY21 periods.
3. Restatement to 2020 required to comply with recently issued guidance from the International Financial Reporting Interpretations Committee (IFRIC) regarding the treatment of "Configuration or Customisation Costs in a Cloud Computing Arrangement". Refer to Note 26 of the 2021 Annual Report for further details.

Dexus portfolio – Consumption/emissions on an intensity basis

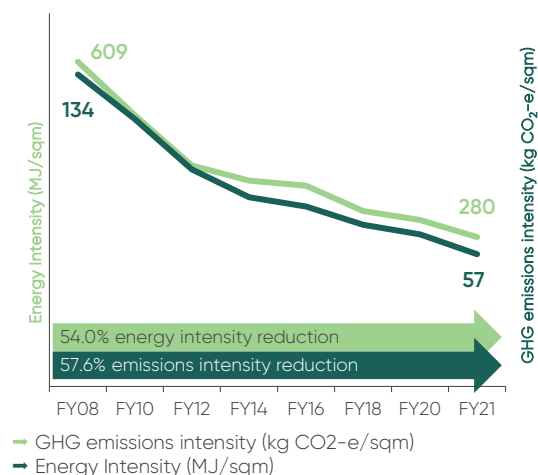
Metric	Whole portfolio				Like-for-like ²		12 month change
	Base year ¹	FY19	FY20	FY21	FY20	FY21	
Office portfolio							
Energy consumption (MJ/sqm)	609	332	312	280	307	283	-8.0%
Water consumption (L/sqm)	855	646	559	395	564	417	-26.0%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	134	69	65	57	65	58	-10.2%
Waste diversion from landfill	52%	42%	41%	36%	41%	36%	-12.6%
Retail portfolio							
Energy consumption (MJ/sqm)	4,905	629	321	204	572	400	-30.1%
Water consumption (L/sqm)	8,536	1,456	704	507	1,205	975	-19.1%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	712	108	51	34	92	67	-27.6%
Waste diversion from landfill		46%	37%	42%	39%	41%	3.9%
Industrial portfolio							
Energy consumption (MJ/sqm)	56.9	26.1	24.3	24.3	24.4	23.1	-5.6%
Water consumption (L/sqm)	219	432	421	329	340	345	1.3%
Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	14.3	5.4	5.1	5.0	5.2	4.7	-8.4%
Healthcare portfolio							
Energy consumption (MJ/sqm)	-	-	-	334	-	-	-
Water consumption (L/sqm)	-	-	-	136	-	-	-
Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	-	-	-	59	-	-	-

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under landlord control for FY20 and FY21 periods.
3. The steep decline in retail intensity metrics is generally attributable to a shift in Dexus (DXS) retail portfolio composition away from high-intensity properties such as city retail precincts to low-intensity properties such as bulky goods retailers since FY08.

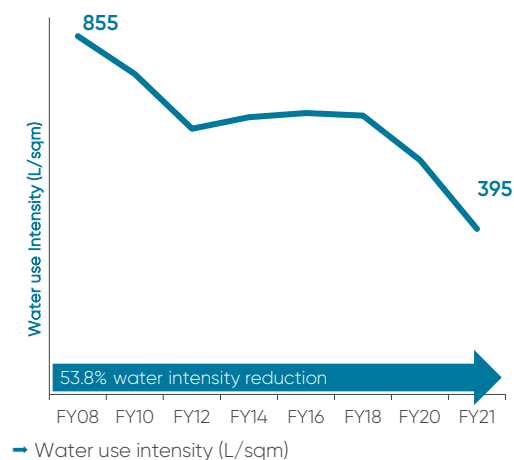
Enriched Environment continued

Dexus portfolio – Consumption/emissions on an intensity basis

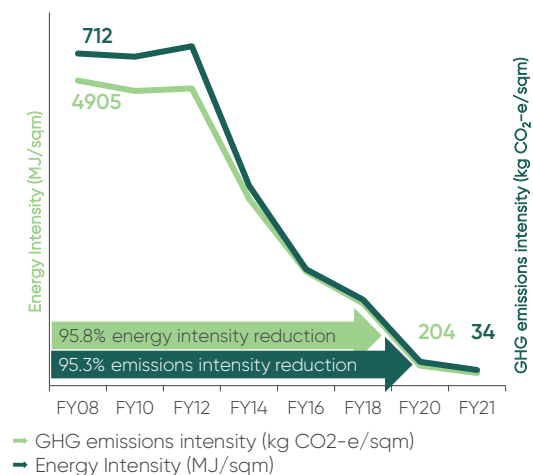
Listed Office – Energy and GHG emissions intensity



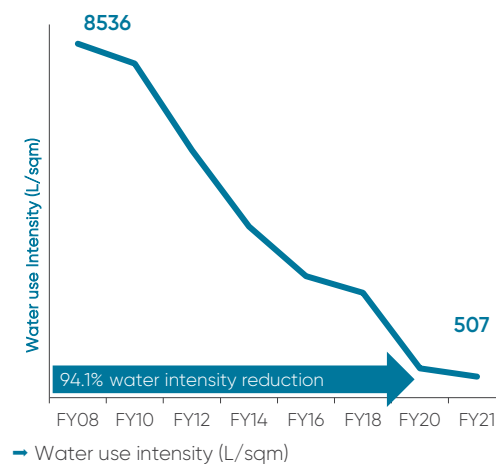
Listed Office – Water use intensity



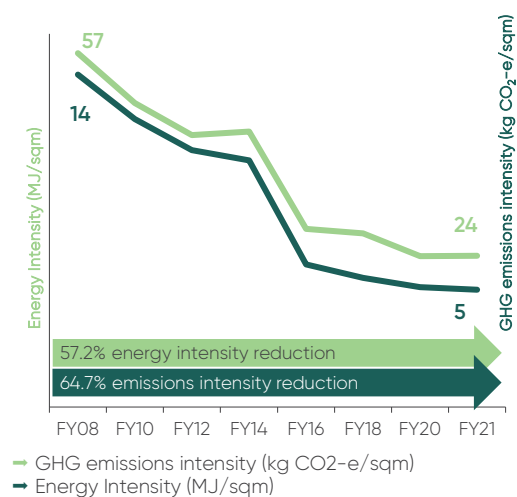
Listed Retail – Energy and GHG emissions intensity



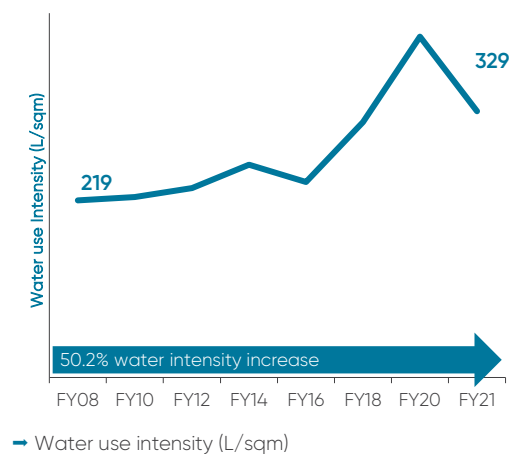
Listed Retail – Water use intensity



Listed Industrial – Energy and GHG emissions intensity



Listed Industrial – Water use intensity



Dexus Wholesale Property Fund portfolio¹ – Environmental metrics

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

Metric		Absolute				Like-for-like ³		
		Base year ²	FY19	FY20	FY21	FY20	FY21	12 month change
Energy consumption (MWh)								
Non-renewable energy	Natural gas	3,379	6,937	8,046	7,579	6,251	5,933	-5.1%
	Diesel	0	327	295	267	295	246	-16.5%
	Electricity – grid-purchases	19,201	44,345	41,488	35,101	39,895	33,585	-15.8%
Total non-renewable energy consumption		22,580	51,608	49,828	42,947	46,441	39,764	-14.4%
Renewable energy	Electricity – GreenPower and LGC purchases	2,685	10,257	11,271	10,722	10,569	10,368	-1.9%
	Solar energy	0	116	140	1,992	140	1,984	1311.9%
Total renewable energy consumption		2,685	10,373	11,411	12,714	10,709	12,352	15.3%
Total energy consumption		25,265	61,981	61,240	55,661	57,150	52,116	-8.8%
Percent energy use from renewable sources		10.6%	16.7%	18.6%	22.8%	18.7%	23.7%	26.5%
Water (kL or cubic metres)								
Potable water from water authorities		228,946	731,199	668,215	576,398	650,283	555,457	-14.6%
Recycled water recovery		0	1,146	1,884	1,801	1,884	1,801	-4.4%
Total water consumption incl. recycled water		228,946	732,345	670,099	578,200	652,167	557,258	-14.6%
Percent water use from recycled sources		0.0%	0.2%	0.3%	0.3%	0.3%	0.3%	11.9%
Waste and recycling (tonnes)								
Waste to landfill		3,808	6,106	5,386	5,134	5,318	5,026	-5.5%
Recycled waste		2,273	4,792	4,441	4,100	4,405	4,024	-8.6%
Total waste		6,082	10,898	9,827	9,234	9,722	9,051	-6.9%
Diversion from landfill		37.4%	44.0%	45.2%	44.4%	45.3%	44.5%	-1.9%
Percent waste data coverage (office & retail)		88%	100%	100%	99%	100%	100%	-
Greenhouse gas emissions (t CO₂-e)								
Scope 1		624	3,589	3,881	3,676	3,351	3,278	-2.2%
Scope 2 – location-based		21,989	44,829	42,794	36,514	40,453	34,860	-13.8%
Scope 3 – location-based GHG emissions		3,496	15,781	14,001	13,013	13,619	12,606	-7.4%
Scope 2 – market-based		19,780	43,975	41,422	34,459	39,417	32,804	-16.8%
Scope 3 – market-based GHG emissions		3,185	15,686	13,847	12,781	13,497	12,374	-8.3%
Total Scope 1, 2 & 3 location-based GHG emissions		26,110	64,199	60,676	53,204	57,423	50,743	-11.6%
Total Scope 1, 2 & 3 market-based GHG emissions		23,590	63,250	59,149	50,916	56,265	48,456	-13.9%
Equity – accounted lettable area under landlord control (annual weighted average square metres)								
Office		117,423	284,859	330,102	337,350	290,574	298,291	2.7%
Retail		62,978	372,266	373,505	382,549	373,372	369,431	-1.1%
Industrial		85,343	306,353	312,883	375,825	312,883	319,019	2.0%

1. Includes Dexus ADPF assets including identified assets which are to be sold.

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

3. Properties under landlord control for FY20 and FY21 periods.

Enriched Environment continued

Dexus Wholesale Property Fund¹ – Consumption/emissions on an intensity basis

Metric	Whole portfolio				Like-for-like ³		12mth change
	Base year ²	FY19	FY20	FY21	FY20	FY21	
Office portfolio							
Energy consumption (MJ/sqm)	576	356	332	292	327	297	-9.2%
Water consumption (L/sqm)	1,176	874	739	529	778	571	-26.7%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	143	77	71	60	70	62	-11.3%
Waste diversion from landfill	42%	42%	46%	41%	47%	41%	-12.4%
Retail portfolio							
Energy consumption (MJ/sqm)	365	318	289	257	288	261	-9.5%
Water consumption (L/sqm)	1,085	1,139	998	901	998	914	-8.5%
Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	91	69	61	50	61	51	-15.6%
Waste diversion from landfill	37%	44%	45%	45%	45%	45%	-0.5%
Industrial portfolio							
Energy consumption (MJ/sqm)	3.6	10.6	9.4	9.5	9.4	8.1	-14.4%
Water consumption (L/sqm)	264	190	165	141	165	150	-9.1%
Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	0.9	2.3	2.1	2.1	2.1	1.7	-15.1%

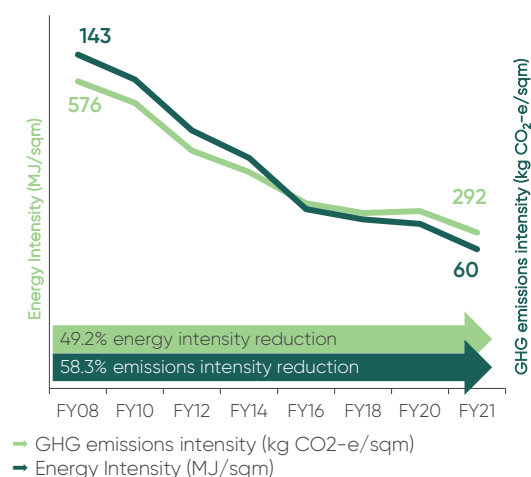
1. Includes Dexus ADPF assets including identified assets which are to be sold.

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

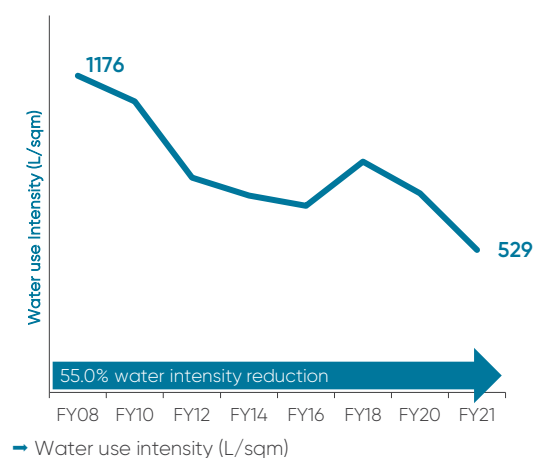
2. Properties under landlord control for FY20 and FY21 periods.

Dexus Wholesale Property Fund – Consumption/emissions on an intensity basis continued

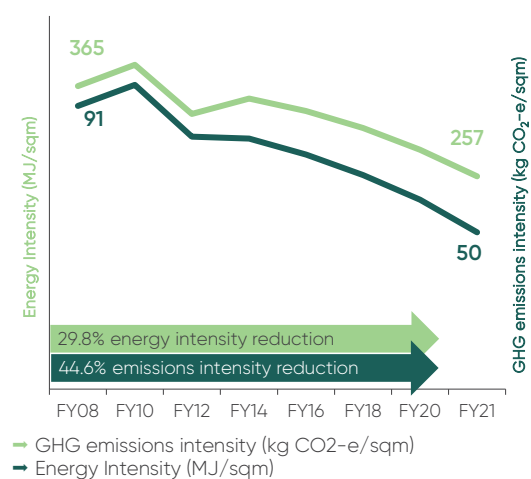
DWPf Office – Energy and GHG emissions intensity



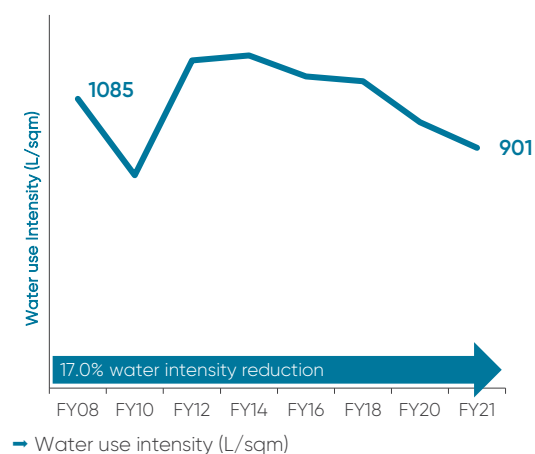
DWPf Office – Water use intensity



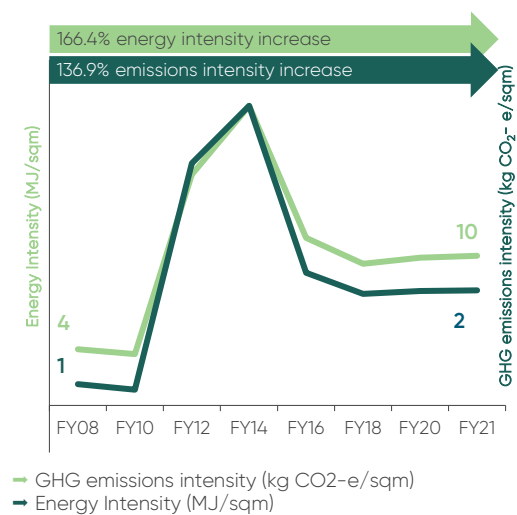
DWPf Retail – Energy and GHG emissions intensity



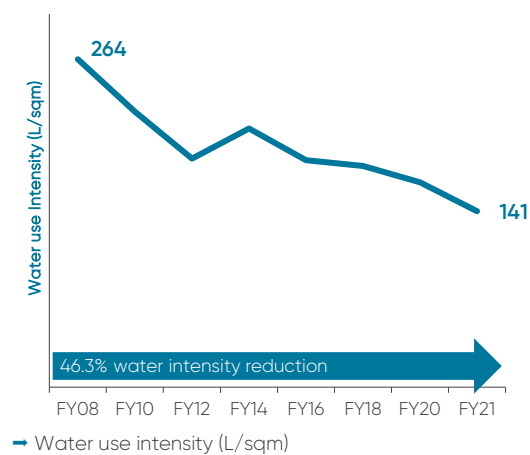
DWPf Retail – Water use intensity



DWPf Industrial – Energy and GHG emissions intensity



DWPf Industrial – Water use intensity



Enriched Environment continued

Dexus Office Trust portfolio – Environmental metrics

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

		Absolute				Like-for-like ²		12mth change
		Base year ¹	FY19	FY20	FY21	FY20	FY21	
Metric								
Energy consumption (MWh)								
Non-renewable energy	Natural gas	16,506	13,233	14,250	14,357	11,646	11,534	-1.0%
	Diesel	182	647	406	407	372	368	-1.0%
	Electricity – grid-purchases	42,921	37,388	36,966	30,250	34,077	27,866	-18.2%
Total non-renewable energy consumption		59,609	51,269	51,622	45,014	46,094	39,768	-13.7%
Renewable energy	Electricity – GreenPower and LGC purchases	9,521	11,261	13,669	13,552	11,841	12,976	9.6%
	Solar energy	0	182	398	360	352	360	2.1%
Total renewable energy consumption		9,521	11,443	14,066	13,912	12,193	13,336	9.4%
Total energy consumption		69,130	62,712	65,688	58,926	58,287	53,104	-8.9%
Percent energy use from renewable sources		13.8%	18.2%	21.4%	23.6%	20.9%	25.1%	20.0%
Water (kL or cubic metres)								
Potable water from water authorities		387,939	457,619	434,534	314,430	395,682	300,971	-23.9%
Recycled water recovery		0	1,834	2,489	2,266	2,489	2,266	-9.0%
Total water consumption incl. recycled water		387,939	459,453	437,023	316,696	398,172	303,237	-23.8%
Percent water use from recycled sources		0.0%	0.4%	0.6%	0.7%	0.6%	0.7%	19.5%
Waste and recycling (tonnes)								
Waste to landfill		965	2,562	2,388	1,655	2,228	1,570	-29.6%
Recycled waste		1,166	1,964	1,691	1,031	1,601	964	-39.8%
Total waste		2,131	4,526	4,078	2,686	3,829	2,534	-33.8%
Diversion from landfill		54.7%	43.4%	41.5%	38.4%	41.8%	38.0%	-9.0%
Percent waste data coverage (office & retail)		58%	100%	100%	100%	100%	100%	0.3%
Greenhouse gas emissions (t CO ₂ -e)								
Scope 1		3,096	6,183	6,357	6,214	5,428	5,474	0.9%
Scope 2 – location-based		48,686	40,387	41,832	35,867	37,855	33,288	-12.1%
Scope 3 – location-based GHG emissions		8,589	9,698	9,060	7,289	8,237	6,758	-18.0%
Scope 2 – market-based		42,499	37,525	37,710	30,592	34,666	28,029	-19.1%
Scope 3 – market-based GHG emissions		7,507	9,354	8,613	6,698	7,898	6,169	-21.9%
Total Scope 1, 2 & 3 location-based GHG emissions		60,371	56,268	57,249	49,369	51,519	45,520	-11.6%
Total Scope 1, 2 & 3 market-based GHG emissions		53,103	53,062	52,680	43,504	47,992	39,672	-17.3%
Equity – accounted lettable area under landlord control (annual weighted average square metres)								
Office		345,258	650,243	723,880	715,506	649,997	648,054	-0.3%
Retail		9,459	21,851	22,272	27,542	21,874	23,927	9.4%

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

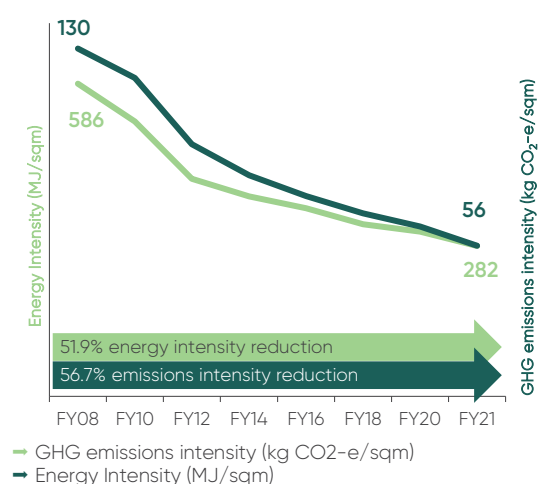
2. Properties under landlord control for FY20 and FY21 periods.

Dexus Office Trust – Consumption/emissions on an intensity basis

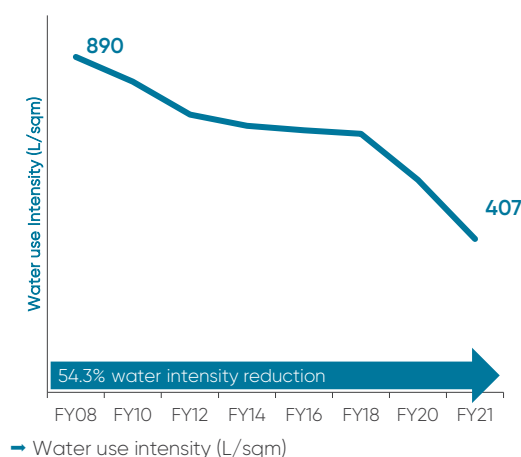
		Whole portfolio				Like-for-like ²		12mth change
		Base year ¹	FY19	FY20	FY21	FY20	FY21	
Office portfolio	Metric							
	Energy consumption (MJ/sqm)	586	326	309	282	304	280	-7.7%
	Water consumption (L/sqm)	890	655	564	407	568	428	-24.6%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	130	68	64	56	63	57	-9.7%
Retail portfolio	Waste diversion from landfill	55%	43%	42%	37%	42%	37%	-12.6%
	Energy consumption (MJ/sqm)	4,905	629	576	375	572	400	-30.1%
	Water consumption (L/sqm)	8,536	1,456	1,183	847	1,205	975	-19.1%
	Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	712	108	91	60	92	67	-27.6%
	Waste diversion from landfill		46%	39%	42%	39%	41%	3.9%

1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.
2. Properties under landlord control for FY20 and FY21 periods.
3. The decline in retail intensity metrics is generally attributable to a shift in Dexus (DXS) retail portfolio composition away from high-intensity properties such as city retail precincts since FY08.

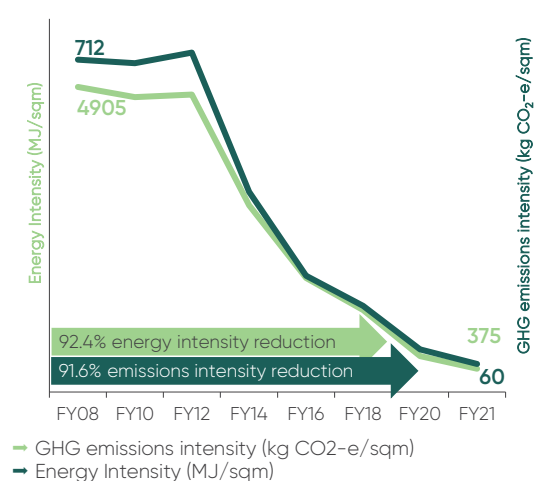
DOT, Office – Energy and GHG emissions intensity



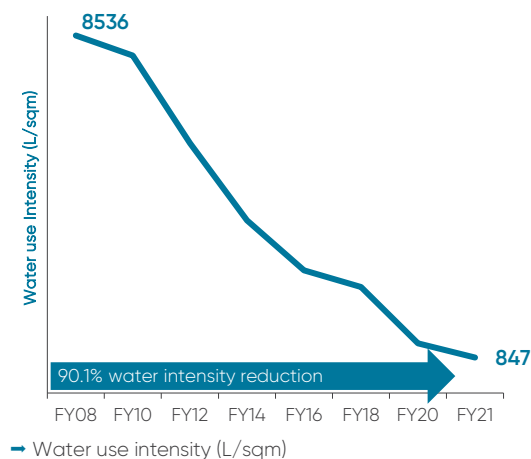
DOT, Office – Water use intensity



DOT, Retail – Energy and GHG emissions intensity



DOT, Retail – Water use intensity



Enriched Environment continued

Dexus Healthcare Property Fund portfolio – Environmental metrics

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

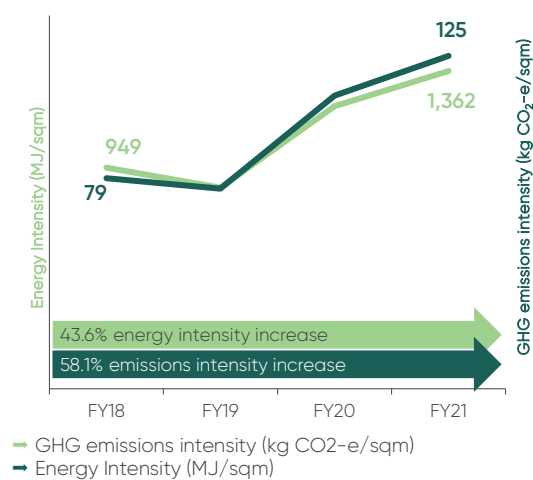
Metric		Absolute				Like-for-like ²		12 month change
		FY18	FY19	FY20	FY21	FY20	FY21	
Energy consumption (MWh)								
Non-renewable energy	Natural gas	759	669	6,589	8,932	634	598	-5.7%
	Diesel	0	0	0	1	0	0	
	Electricity – grid-purchases	387	360	6,677	8,664	337	341	1.3%
Total non-renewable energy consumption		1,145	1,028	13,266	17,597	971	939	-3.3%
Renewable energy	Electricity – GreenPower and LGC purchases	69	75	1,562	2,022	79	80	1.1%
	Solar energy	0	0	0	9	0	0	
Total renewable energy consumption		69	75	1,562	2,031	79	80	1.1%
Total energy consumption		1,214	1,104	14,827	19,628	1,049	1,019	-2.9%
Percent energy use from renewable sources		5.7%	6.8%	10.5%	10.3%	7.5%	7.8%	4.2%
Water (kL or cubic metres)								
Potable water from water authorities		7,666	6,974	26,417	50,238	3,994	4,185	4.8%
Recycled water recovery		0	0	0	0	0	0	
Total water consumption incl. recycled water		7,666	6,974	26,417	50,238	3,994	4,185	4.8%
Percent water use from recycled sources		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Greenhouse gas emissions (t CO ₂ -e)								
Scope 1		141	124	1,222	1,657	118	111	-5.7%
Scope 2 – location-based		223	222	3,625	4,820	183	181	-1.0%
Scope 3 – location-based GHG emissions		73	78	1,108	1,366	71	66	-7.3%
Scope 2 – market-based		223	222	3,625	4,820	183	181	-1.0%
Scope 3 – market-based GHG emissions		73	78	1,108	1,366	71	66	-7.3%
Total Scope 1, 2 & 3 location-based GHG emissions		437	424	5,955	7,843	371	358	-3.7%
Total Scope 1, 2 & 3 market-based GHG emissions		437	424	5,955	7,843	371	358	-3.7%
Equity – accounted lettable area under landlord control (annual weighted average square metres)								
Healthcare		4,609	4,609	44,066	51,870	4,609	4,609	0.0%

Dexus Healthcare Property Fund – Consumption/emissions on an intensity basis

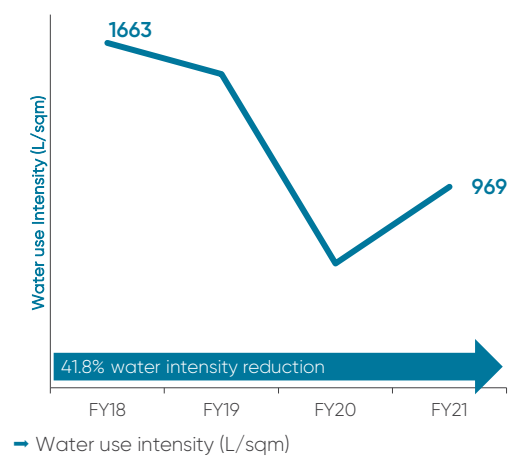
Metric	Whole portfolio				Like-for-like ¹		12mth change
	FY18	FY19	FY20	FY21	FY20	FY21	
Energy consumption (MJ/sqm)	949	862	1,211	1,362	820	796	-2.9%
Water consumption (L/sqm)	1,663	1,513	599	969	867	908	4.8%
Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	79	75	110	125	65	63	-2.8%

1. Properties owned by the fund for the entire FY20 and FY21 reporting periods.

DHPF – Energy and GHG emissions intensity



DHPF – Water use intensity



Sustainability Approach and Procedures

The Sustainability Approach and Procedures explains how Dexus manages the economic, environmental and social impacts related to its business. It aligns with the Global Reporting Initiative GRI Standards, which prescribes organisations to disclose details of their approaches to managing material sustainability issues they have identified. The Sustainability Approach and Procedures is a component of the 2021 Annual Reporting Suite. It should be read in conjunction with the Sustainability Performance Pack and Sustainability Data Appendix, the 2021 Annual Report and the 2021 Corporate Governance Statement.

Contents

This document explains the policies, procedures and practices used by Dexus to meet the objectives of the Dexus Sustainability Approach:



Sustained Value

Delivering superior long-term performance for our investors and third party capital partners, underpinned by integrating the management of environmental, social and governance issues into our business model

- Corporate governance
- Compliance and risk management

→ Page 110



Leading Cities

Maintaining and developing a high-quality property portfolio that contributes to economic prosperity and sustainable urban development across Australia's key cities

- Transactions & developments
- Stakeholder engagement

→ Page 119



Thriving People

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

- Employee engagement and performance
- Learning and development
- Inclusion and diversity

→ Page 131



Future Enabled Customers and Strong Communities

Building a strong network of customers, communities and suppliers, who support Dexus and are positively impacted by Dexus

- Customers
- Communities
- Supply chain

→ Page 140



Enriched Environment

An efficient and resilient portfolio that minimises its environmental footprint and is positioned to thrive in a climate-affected future

- Environmental impacts
- Climate action

→ Page 158

Enhancing impact reporting

Reporting is crucial for providing decision-useful information to Dexus stakeholders, and for enhancing our strategy and approach over time through benchmarking our performance. To address these objectives, our approach to reporting includes the following aspects:

- Regular materiality assessments that inform both strategy and reporting (pages 6-7)
- Alignment of sustainability reporting content with the GRI Standards
- Publication of an integrated Annual Report since 2019, aligned with the International Integrated Reporting Council <IR> Framework

The Dexus Sustainability Approach directs the business to create sustained value through delivering a positive impact (and reducing any negative impacts) for its stakeholders and the environment, as expressed through its objectives. We use the principles of impact mapping to communicate how our sustainability approach activities lead to benefit for employees and customers and for Dexus. The outputs, outcomes and impacts in the impact map also serve as indicators for us to evaluate our performance and continuously enhance our approach.

Sustained Value



Creating sustained value through effective management of environmental, social and governance issues.

Dexus's Sustainability Approach is the lens that we use to identify, prioritise and address the environmental, social and governance (ESG) issues that matter most to our stakeholders. The key objectives of our sustainability approach (Leading Cities, Thriving People, Future Enabled Customers and Strong Communities, and Enriched Environment) guide how we manage the ESG risks and opportunities that influence how we create long-term value. The disclosures across each key objective area support the objective of Sustained Value, while the Sustained Value section of the Dexus Sustainability Approach and Procedures focuses on corporate governance and risk management.

Dexus aspires to the highest standards of corporate governance and has embedded policies and procedures to enhance corporate performance and protect the interests of key stakeholders.

Good governance is about doing the right thing, complying with laws, managing risk, upholding human rights and building honest relationships. We are committed to an open and transparent workplace that is free from corruption, anti-competitive behaviour, bribery and discrimination.

Our governance approach aims to:

- Maintain the health and safety of our employees, customers and visitors
- Maintain a working environment free of harassment, bullying and discrimination
- Uphold labour standards and respect human rights
- Continually comply with relevant laws, regulations and industry best practice
- Create a workplace culture of diversity and work-life balance
- Manage environmental, financial and social risk



1.1 Corporate governance framework

Our corporate governance approach supports the group's strategic objectives. The group's governance structure ensures accountability and a balance of authority by clearly defining the roles and responsibilities of the Board and executive management. This enables the Board to provide strategic guidance while exercising effective oversight. Dexus's corporate governance is summarised below.

Corporate governance framework		
Dexus Board (Board) Responsible for ensuring effective corporate governance and risk management, and for ensuring that Dexus meets its fiduciary and statutory obligations to its investors		
Board Committees Audit Committee Nominations Committee People & Remuneration Committee Risk Committee Environmental, Social & Governance Committee		
Group Management Committee Responsible for risk management and ensuring statutory, legal and regulatory compliance, including ongoing compliance with Dexus policies and procedures		
Corporate Executive Committee Responsible for overseeing the implementation of Dexus's strategy in relation to ESG policies and practices as well as overseeing portfolio risk initiatives, linking these to business operations and corporate governance		
Risk team	Compliance team	Governance team
Responsibilities include: <ul style="list-style-type: none"> Assessing strategic and operational risks Providing advice on risk mitigation plans Drafting and delivering risk policies and procedures Implementing the Work Health Safety and Environment (WHS&E) management systems and overseeing audits of compliance with the systems including reporting on significant incidents Reporting to management (including GMC, Board Risk Committee and the Corporate Executive Committee) Providing training on relevant risk matters 	Responsibilities include: <ul style="list-style-type: none"> Providing training on relevant compliance matters Identifying and managing compliance risk Conducting monitoring and preventative review procedures to avert or detect incidents of non-compliance Reviewing and analysing compliance issues and exceptions including remediation plans Reporting to management (including GMC, Board Risk Committee and the Corporate Executive Committee) Liaising with regulators 	Responsibilities include: <ul style="list-style-type: none"> Company secretarial functions across the group Establishment and implementation of key governance policies Internal Audit function Investigating whistleblower matters and significant customer complaints Supporting Dexus group boards and committees to ensure provision of adequate information to execute their responsibilities Responding to operational due diligence requests from investors
Management frameworks		
Risk Management Framework <ul style="list-style-type: none"> Risk analysis Workplace health & safety and Environment Audit and assurance Investment due diligence Business continuity planning, crisis management and disaster recovery testing Embargoed suppliers Industry engagement 	Compliance Management Framework <ul style="list-style-type: none"> Conflicts of interest including related party transactions Continuous disclosure reporting Compliance monitoring and training Privacy and anti-money laundering policies Information technology and cyber security Investor complaints Breach identification and remediation 	Governance Framework <ul style="list-style-type: none"> Accept and investigate whistleblower disclosures Customer complaints Board governance Internal audit Fraud, corruption and bribery (prevention and awareness) policy
Reporting and transparency Management reporting ASX disclosure Performance disclosure Regulatory reporting Sustainability reporting		

Sustained Value continued

Board and management committees

Dexus Funds Management Limited (DXFM) is the Responsible Entity of each of the trusts that comprise Dexus. DXFM, along with other responsible entities in the group, is also responsible for management of third party funds on behalf of the group's third party capital partners.

The Board implements a corporate governance framework that applies to all DXFM schemes, the Dexus Wholesale Property Fund (DWPF), the Dexus Healthcare Property Fund (DHPF) and capital partner investments.

To assist stakeholders in accessing key documents outlining our approach to corporate governance, we maintain a Corporate Governance section on our website www.dexus.com/corporategovernance.

We publish a Corporate Governance Statement that presents our governance framework against the ASX Corporate Governance Principles & Recommendations – Fourth Edition (ASX Principles) and discloses how we continue to meet each of the ASX Principles during the financial year.

While the framework adopted by Dexus meets the requirements of the ASX Principles, it also addresses additional aspects of governance which the Board considers important.

The table below describes Board and management committees with a focus on governance, risk management and assurance.

Committee	Governance role
Dexus Board (Board)	The Board sets the tone, culture and objectives of risk and compliance management at Dexus. It sets the corporate standard and culture, establishes effective governance, oversees business performance and provides ultimate accountability for the group. The Board implements a corporate governance framework that applies to the investments of Dexus and its funds and third party capital partners.
Board People & Remuneration Committee	Oversees all aspects of Director, Group Management Committee and Key Management Personnel remuneration and aspects of human resource management.
Board Audit Committee	Reviews the integrity and quality of the group's financial statements and disclosures including auditing, accounting and financial reporting processes.
Board Risk Committee	Oversees group risk management, WHS and compliance. The Board Risk Committee reports directly to the Board.
Board ESG Committee	Oversees the implementation and management of sustainability/ESG practices and initiatives throughout Dexus. The Board ESG Committee reports to the Board.
Group Management Committee (GMC)	Oversees business operations including its management of compliance, risk, governance and sustainability. The GMC comprises the executive team and reports to the Dexus Board.
Corporate Executive Committee (CEC)	Oversees the implementation of Dexus's strategy in relation to ESG policies and practices as well as portfolio risk initiatives. The Committee is accountable to the GMC and consists of the Chief Financial Officer (Chair), Chief Operating Officer, General Counsel and Company Secretary, and Executive General Manager, Investor Relations, Communications and Sustainability. The Committee also oversees the activities of the Anti-Modern Slavery Working Group, Climate Resilience Working Group, Energy Procurement Working Group and Social Impact Working Group.
Property Executive Committee (PEC)	Chaired by the Chief Executive Officer (CEO), PEC members include the Chief Investment Officer (CIO), Chief Financial Officer (CFO) and Executive General Managers overseeing operational and strategic objectives relating to: <ul style="list-style-type: none"> – Property performance – Development and trading
Investment Committee	Reviews and endorses all major investment proposals (including acquisitions, divestments, developments and major capital works) concerning Dexus and each of our third party capital partners and funds.

1.2 Operational practices

We have developed a Compliance Management Framework and a Risk Management Framework outlining how we identify and address compliance and risk management.

These frameworks support the development and implementation of compliance, risk management and corporate governance procedures across the business. The Risk Management Policy applies to all Dexus employees who are required to understand, promote and be responsible for ensuring that controls are in place to effectively manage risks that apply to activities within their day-to-day responsibility.

The management frameworks support customers, third party capital partners, people development, supplier partnerships and engagement within communities. The frameworks are reviewed on an annual basis to ensure they remain current and adequately address the risks inherent in managing the business.

Compliance Management Framework

Compliance is a vital component of our corporate governance approach and assists in:

- Building trust with investors, customers and clients
- Protecting our brand and reputation
- Promoting our values
- Demonstrating to industry and the community that we act with integrity and are committed to doing the right thing
- Complying with laws, regulations and industry standards

Dexus's Compliance Management satisfies the requirements of the International Standard for Compliance Management Systems – ISO 19600.

Activities conducted within the framework comply with the relevant legislation and regulations including the Corporations Act, Privacy Act, Competition & Consumer Act, Tax & Stamp Duty legislation, Retail Leases Act, Real Estate Licensing Acts, Environmental Acts and Regulations, and Anti-Money Laundering & Counter Terrorism Financing Act and ASX Listing Rules.

We promote a culture of compliance through a framework in which all employees contribute and participate. The Compliance team oversees the compliance management framework while the entire business is responsible for ensuring that their business procedures adhere to Dexus's policies.

The framework:

- Acknowledges our commitment to compliance, good governance, ethical behaviour and continuous improvement
- Focuses on protecting the interests of investors, third party capital partners and employees
- Ensures where a fiduciary obligation exists, the interests of the client are put before the interest of the responsible entity and/or trustee
- Ensures that our financial services and products are provided honestly, fairly and efficiently
- Seeks to prevent, identify and quickly respond to breaches of applicable laws, industry codes and standards and business rules

Activities within the Compliance Management Framework include:

Activity	Description
Legislative and regulatory change	Identifying and assessing changes in compliance requirements due to laws or regulations, contractual requirements, security market requirements, fiduciary requirements and best practice
Employee training	Delivering and facilitating compliance training sessions
Compliance monitoring and reporting	Monitoring processes and procedures to ensure that business units are operating in accordance with legal and internal requirements
Handling exceptions and incidents of non-compliance	Identifying, managing, reporting and overseeing the resolution of compliance incidents
Handling investor complaints	Overseeing the effectiveness of processes and procedures across business units to ensure investor complaints are resolved in a timely manner
Communication	Collecting, analysing and reporting compliance information throughout Dexus
Continuous improvement	Regularly reviewing and updating policies to ensure continued relevance. Compliance matters are reviewed by the Board Risk Committee, the Corporate Executive Committee and the GMC

Sustained Value continued

Record keeping

We have a Records Management Compliance Policy which sets our records management guidelines for Dexus. Records must be created and maintained to satisfy business and regulatory requirements as well as industry operating standards. The policy covers all types of records including paper and electronic media.

Delegations of authority

We have operating limits in place that set out the authorities of employees to contract on behalf of a Dexus entity or a fund that Dexus manages.

Conflicts of interest

We have two compliance policies for personal and business conflicts of interest. They inform employees as to what constitutes a conflict of interest and describe the process for identifying and managing conflicts. Conflicts may arise in a variety of situations including:

- Related party dealings
- Allocating property transactions amongst clients or third party capital partners
- Tenant (customer) conflicts
- Transfer of assets between schemes or clients
- Personal conflicts

All real or potential conflicts are reported to Dexus's Compliance team so that necessary controls are put in place to effectively manage the conflict. These controls may include:

- Ensuring a transaction is conducted at arm's length
- Removal of conflicted employees or teams from a transaction or decision
- Establishing information barriers so that employees and teams operate solely in the interests of the respective funds or third party capital partners
- Avoiding a transaction

We maintain a Conflict of Interest Register which provides a central record of all material conflicts to ensure that they are effectively identified and managed. Conflicts of interest are reported to the Board Risk Committee quarterly.

Anti-bribery and corruption

We are committed to achieving the highest corporate standards and working against corruption in all its forms, including extortion and bribery.

The Fraud, Corruption and Bribery (Prevention and Awareness) Policy outlines expectations for employee conduct relating to lobbying, meetings with law makers and receiving gifts and benefits. Dexus does not make political donations or provide gifts to politicians or public servants. As per the Dexus Political Donations Policy, Dexus employees and Directors are prohibited from using Dexus funds for political contributions. Where we engage with government we do so in an ethical and transparent manner. The Stakeholder Engagement section (page 126) provides additional detail on our approach to engaging with government.

Transparency and continuous disclosure

We take an industry-leading approach to transparency and disclosure of responsible investment practices. This is supported by the Property Council of Australia's Voluntary Best Practice Guidelines for Disclosing Funds From Operations (FFO) and Adjusted Funds From Operations (AFFO). These measures enable a transparent comparison of financial performance between Dexus and its listed property peers.

We are committed to providing investors, the broader market and other stakeholders with accurate and timely information about material activities. We comply with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules. A Continuous Disclosure Committee oversees compliance with the Continuous Disclosure Policy.

We respond annually to several investor surveys and benchmarks, publish research papers, and formally disclose group performance in accordance with best practice frameworks published by the International Integrated Reporting Council and the Global Reporting Initiative (GRI).

Compliance monitoring

We conduct ongoing compliance monitoring to ensure that business units are operating in accordance with legal and internal requirements.

We also ensure that management and the Board have sufficient risk and compliance information to enable them to exercise their responsibilities and discharge their duties effectively.

The purpose of compliance monitoring is to:

- Check that controls/preventative procedures are in place to ensure that business and system processes are operating adequately, function appropriately, and are compliant with relevant laws, regulations, industry standards, codes and internal standards
- Confirm that policies and procedures are being applied and adhered to
- Assist with the identification of actual, possible or imminent compliance incidents
- Test the effectiveness of the compliance policies and structure
- Determine where problems are being encountered within the business and the reason for them
- Monitoring compliance risk indicators trends to identify behaviours within teams that would indicate a poor approach to compliance
- Identify compliance training needs

Monitoring takes the form of:

- Self-assessment checklists
- Compliance review and verification
- Targeted reviews
- Ad hoc reviews
- Compliance risk indicators

Internal Audit program

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve our operations.

Internal audit assists in improving business performance by providing an independent and disciplined approach to evaluate and strengthen risk management, business processes, internal controls and governance activities across the organisation.

The Corporate Executive Committee oversees the group's risk management, compliance management and Internal Audit program. KPMG performs the activities of an Internal Audit function which reports to the Corporate Executive Committee and Board Audit Committee.

We maintain an Internal Audit Charter which sets out the roles, responsibilities, authorisation, activities and reporting relationships of the Internal Audit function. The Charter is reviewed and approved by the Board Audit Committee on an annual basis.

In the conduct of its activities the Internal Audit function plays an active role in:

- Developing and maintaining a culture of accountability and integrity
- Promoting and supporting Dexu's Three Lines of Defence Model by maintaining an independent 'third line' in relation to effective risk management and control
- Facilitating the integration of risk management into day-to-day business activities and processes
- Promoting a culture of risk-consciousness, self-assessment and adherence to high ethical standards
- Maintaining a professional and experienced Internal Audit function, through the engagement of suitably qualified professionals, with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the Internal Audit Charter
- Establishing a quality assurance program which supports the operation of internal audit activities and is responsive to the business' needs
- Ensuring that engagements are performed with proficiency and due professional care

The Internal Audit function includes examining, evaluating and monitoring the adequacy and effectiveness of governance, risk management, financial and operational controls designed to manage risks and achieve objectives.

Internal Audit program activities involve:

- Developing and implementing a flexible annual internal audit plan, adopting an appropriate risk-based approach, which is approved by the Group Risk and Board Audit Committees
- Assisting us to promote awareness of key risks, our risk culture and risk mitigation activities

- Supporting audit activities through facilitation, process design and advisory services
- Reporting on the outcomes of internal audits to senior management, the Corporate Executive Committee and Board Audit Committee and, depending on the scope of the audit, other relevant Board Committees
- Keeping our employees informed of emerging trends and successful practices in internal auditing
- Assisting in the investigation of significant suspected fraudulent activities and notifying findings to the Corporate Executive Committee, GMC, Board Risk Committee, Board Audit Committee and Board Risk Committee
- Conducting follow up activities on the status of agreed significant, high and moderate rated recommendations

Board evaluation

We recognise that performance measurement and management are integral to our Board's success and we believe that board evaluations can contribute significantly to performance enhancement at the organisational, board and director levels.

The Board Nomination Committee oversees the Board performance evaluation program. The evaluation process looks at the performance of the Board and its committees. Individual Non-Executive Director performance is also evaluated. When appropriate, an independent expert is retained to conduct the evaluation. Any areas for improvement identified in the performance evaluation process are agreed by the Board Nomination Committee which oversees the implementation of process enhancements.

The Performance Evaluation Policy outlines a formal approach to review and improve performance management.

External feedback and grievance procedures

We are committed to continuous improvement and seek to appropriately address feedback received from investors, customers, employees and other stakeholders. Any grievance escalated to the Head of Governance or Head of Compliance is addressed through grievance or complaints policies and procedures.

For example, an investor complaint may relate to grievances involving our financial products/services or privacy matters.

A customer complaint may relate to a significant issue relating to poor service or a poor customer experience.

We maintain policies and procedures to address grievances formally raised by stakeholders in relation to Dexu, our products or services, or the processes we use for dealing with feedback itself.

Our grievance process emphasises conciliation to ensure that inappropriate and unlawful practices cease and that grievances are resolved in a sensitive and timely manner.

Resolution is subject to an agreed rectification plan that is developed and actioned in accordance with the Dexu Compliance Management Framework. Regulatory authorities may be notified and involved in the procedure to resolve the incident if required.

The complaints policies and associated procedures are designed to ensure that:

- Investor, customer, client and potential client complaints are dealt with fairly, promptly and consistently
- Regulatory requirements are complied with
- Any underlying control problems or weaknesses identified by a complaint are appropriately addressed

In accordance with the Australian standards for complaints handling, we seek to:

- Resolve complaints through mutually agreed solutions
- Treat complaints and complainants appropriately
- Provide adequate assistance particularly to those who face barriers to access
- Improve business procedures to prevent reoccurrence
- Provide clear guidelines of the resolution process and time frame
- Provide reasonable access to resources
- Ensure processes and outcomes comply with regulations
- Maintain open communication regarding progress
- Ensure the complainant is protected as stipulated in the Privacy Act

Sustained Value continued

The table below outlines grievance mechanisms used by Dexus to understand stakeholder concerns.

Grievance mechanism			
Employees	Investors and third party capital partners	Customers, suppliers and community	
<ul style="list-style-type: none">– Grievance Procedure– Whistleblower Policy	<ul style="list-style-type: none">– Handling Investor Complaints Procedure– Investor Complaints Policy	<ul style="list-style-type: none">– Handling Property Complaints Procedure– Customer Complaints Policy– Whistleblower Policy	
Awareness channels			
Environment and health and safety management programs	Whistleblower program	Internal Audit program	Dexus website
<ul style="list-style-type: none">– ISO 14001 EMS and ISO 45001 WHS systems across managed portfolio– Identify, assess and manage environmental and safety risks– Site incidents and hazards (e.g. personal injury, property damage, near misses)	<ul style="list-style-type: none">– Your-call independent service provider– Secure, anonymous, and confidential– Reporting of inappropriate workplace behaviour or other activity by Dexus employees or on Dexus sites	<ul style="list-style-type: none">– Outsourced risk based Internal audit function– Testing of compliance with controls– Monitor effectiveness of governance, risk management, financial and operational controls	<ul style="list-style-type: none">– Investors, customers and community members can access relevant information or lodge incidents or complaints

Should a complaint require subsequent remedial action, this may involve training, amendments to procedures or controls, or enhancements to monitoring or review processes.

A register of grievances is maintained and reported to the Board Risk Committee and the Board ESG Committee.

Internal grievances and whistleblowing

To maintain a positive and productive work environment, we have implemented a whistleblower program.

An important part of the program is the open and honest discussion of ethical issues. We encourage employees to raise problems with their manager. Should this not be possible for any reason, employees are encouraged to raise their concerns of possible breaches of law or procedure, irregularity, compliance issue, ethical issue or anything else of concern with any of the following representatives:

- Head of Governance
- Head of People and Culture
- General Counsel
- Dexus's statutory auditors, PwC
- Dexus's internal auditors, KPMG

We have also appointed an independent disclosure management service provider, Your-Call, to enable employees, and employees of services providers on site to report securely, anonymously and confidentially information about dishonesty, fraud, unsafe environments, unethical and other inappropriate behaviour in the workplace.

Tax and overseas operations

The Dexus group operates and earns revenues exclusively in Australia. All revenues remain in Australia and Dexus does not shift profits to other jurisdictions. The Dexus Annual Report discloses additional information about the group's approach to taxation.

1.3 Risk Management Framework

Effective risk management is critical to value creation and requires an understanding of risks during all phases of investment from asset selection, acquisition, allocation, ownership and management through to divestment. Responsible investment and active property management principles are integrated into our sustainability approach.

Dexus's Risk Management Framework articulates our approach to managing risk. The framework is aligned to the Australian and New Zealand Standard for Risk Management – Guidelines AS/NZS ISO 31000:2018. The framework is built into daily operations in the form of governance and responsibilities, standard operating procedures, tools and templates, management oversight, collaboration and knowledge sharing, as well as audit and assurance.

The Risk Management Framework supports the Risk Management Policy to assist the group with integrating risk management into our significant activities and functions. The key objective of the framework is to provide Dexus employees with a foundation from which the business can achieve its strategy by effectively identifying and managing the risks and opportunities that impact on the realisation of that strategy. These risks and opportunities include, but are not limited to, strategic, operational, legal and regulatory, cyber security, financial, work health and safety, the environment and reputation.

The framework defines Dexus's process for managing risk and involves the systematic application of policies, procedures and practices including but not limited to:

- Communicating and consulting with appropriate external and internal stakeholders
- Defining the scope of risk management activities, understanding the external and internal context in the environment in which Dexus operates and defining the risk criteria relative to objectives
- Conducting risk assessments to identify, analyse and evaluate risks
- Planning and implementing risk treatment, assessing the effectiveness of controls and determining that the risk profile is aligned with Dexus's risk appetite, strategy and culture
- Monitoring and review of risks to provide assurance and improve the quality and effectiveness of process design, implementation and outcomes
- Reporting to management and boards including to the Corporate Executive Committee, Group Management Committee, Board Audit Committee and Board Risk Committee
- Providing training to support employees' awareness of and ability to execute their risk management responsibilities.

Our property portfolio varies by geographic location, asset type and tenant type. These variables present specific risks that are managed, monitored and audited in relation to health and safety, building safety, environmental, security and insurance risks.

External review of WHS, security and environmental procedure management is conducted through a comprehensive risk audit and review program to identify, evaluate and mitigate risk in the following areas:

- **Health and safety audits:** compliance/spot audits, workplace health and safety risk profile, ISO 45001 audit/gap analysis, ISO certification audit, principal contractor audit incident investigations (as and when they occur)
- **Building safety:** confined space risk assessment, plant risk assessment, façade audits
- **Environmental:** hazardous materials review, initial site audit, site re-inspections, ISO 14001 audit/gap analysis, ISO certification audit
- **Security:** security risk assessment, external security review
- **Insurance risk:** underwriting assessment, insurance valuations program, risk engineering program

We have developed an in-house property risk management and auditing tool, Periskope, that provides systematic and rigorous property risk profiling. Periskope is a single point of access for tools and data, assisting in property risk management.

Risk appetite

Risk appetite is the amount of risk a business is willing to accept to achieve its strategy. It promotes the principle of 'freedom within boundaries' to assist management in executing the strategy. In accordance with the ASX Corporate Governance Principles & Recommendations and ASIC regulatory guide 259, the Board of each Responsible Entity sets the risk appetite for the business. The risk appetite consists of statements which are a combination of principles which align to our strategic objectives.

The Risk Appetite Statement helps to guide decisions by outlining risks for which we have no appetite and risks we may be willing to accept provided it is transparent, prudently managed and justified by the returns of the business in the pursuit of strategic objectives.

Risk Appetite Statements are subject to annual review, or more frequently if there is a significant change to the business or operating environment and approved annually by the respective boards.

Work health and safety

We recognise our duty of care to ensure work health, safety and liability (WHS&L) risks across are appropriately managed across our property portfolio. This is reflected through the inclusion of WHS within the group performance scorecard.

Our WHS&L Statement outlines how we manage WHS risks. It states the group's commitment to maintaining safe properties, working with stakeholders to manage hazards, managing risks and continuous monitoring. We implement contractor management software across all managed properties to manage and monitor contractor compliance against insurance requirements, WHS and inductions.

The Sustainability Approach and Procedures disclosure contains additional information on WHS for employees (page 137), customers and visitors at our properties (pages 143–144), and contractors working at our assets (page 156).

Sustained Value continued

1.4 Integrating sustainability

We integrate sustainability in our operations by linking our approach to our performance outcomes through establishing policies and governance frameworks, setting targets and embedding these into day-to-day activities.

Engagement	Policies	Commitments	Practices	Measure and report
We engage with stakeholders to identify and manage material issues which have the greatest impact on our stakeholders.	Dexus's ESG policies encapsulate our 'Sustained Value' vision and inform all stakeholders of their legal and corporate responsibilities for the management of ESG risks and opportunities.	We set measurable performance targets across our key stakeholder groups in line with our strategy, and we drive ethical and responsible performance in all areas of operations. We integrate sustainability objectives into our group scorecard, which is used to determine individual objectives and remuneration outcomes.	We integrate ESG management practices within day-to-day operations, developments and investment decision making to enhance corporate performance and create sustained value.	Within our annual Sustainability Performance Pack, we report our performance across each of our key objectives including achievements against targets. We report our management approaches within our disclosure according to best practice standards (e.g. Integrated Reporting Framework, GRI).

1.5 Evaluation and process improvement

We seek to continuously improve our governance approach through:

- An annual review of the Compliance Management Framework and Risk Management Framework
- Independent reviews such as internal audits and reviews undertaken by industry experts
- Attending industry forums and seminars, including those provided by law firms and regulators
- Circulars and newsletters from law and accountancy firms and regulators



Leading Cities

Contributing to economic prosperity and sustainable urban development across Australia's key cities.

Dexus's strategy is to deliver superior returns from high quality real estate in Australia's major cities. Our focus on cities means that our success is intrinsically linked to the overall growth and prosperity of the cities where we operate.

Our Leading Cities objective contributes to urban prosperity by directing us to invest in, develop and manage world class, sustainable properties and precincts that enhance local amenity and vibrancy. Across our buildings, we seek to attract high calibre customers whose businesses support local, regional and national economies.

We expand our reach and engage local communities through collaboration and consultation with authorities and industry associations and work together with peers and other stakeholders to lift urban development standards and share insights.

Focus areas for our approach to Leading Cities include:

- **Generating economic impact:** Responding to local community interest in precincts and development projects that contribute amenity, vitality and economic prosperity to their area
- **Integrating ESG into transactions:** Ensuring that sustainability factors are considered in transaction activity, to manage our portfolio's exposure to emerging risks and identify potential opportunities
- **Showcasing sustainable development:** Using our development projects to demonstrate how the urban form can minimise its environmental impact and enhance wellbeing
- **Stakeholder engagement:** Working with our stakeholders to understand what matters to them and using their insights to enhance how we operate

The boundary for our approach encompasses Dexus's group portfolio, including development projects, with impacts mainly felt by Dexus's customers, suppliers and local communities.



Leading Cities continued

2.1 Management framework

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objective of Leading Cities. The table below provides insight into the developments and transactions management structure and policy framework, which is an important contributor to our Leading Cities objective. Management of standing investments also contributes to the objective of Leading Cities, and relevant management frameworks for standing investments are described in the Future Enabled Customers and Strong Communities section (page 141), and Enriched Environment section (page 160). Several policies are publicly available at www.dexus.com/corporategovernance.

Leading Cities management framework			
Dexus Board (Board)			
Approval of business plans, investment strategies, property acquisitions, Dexus divestments and developments unless delegated to another committee			
Group Management Committee (GMC)			
Responsibility for developing short, medium and long-term strategies and business plans for achieving those strategies			
Investment Committee			
Consideration and approval or endorsement of investment and divestment proposals, developments, major capital expenditure and certain leases concerning Dexus and each of its managed funds and clients			
Chief Investment Officer		Executive General Manager Investor Relations, Communications and Sustainability	
Oversight of group strategic direction, capital allocation, and creating value through development		Oversight of Dexus Sustainability Approach and stakeholder engagement	
Development team Responsibilities: <ul style="list-style-type: none"> – Actively manage office, industrial, retail and healthcare developments – Set project objectives including the Dexus feasibility, vision and standards (incorporating sustainability objectives) to meet and exceed customer expectations – Manage authority approval process – Manage the design and construction process including meeting Dexus's and customers' briefs – Ensure the handover of completed projects to asset management (for funds or balance sheet) fulfill project objectives 	Capital Transactions and Origination team Responsibilities: <ul style="list-style-type: none"> – Identify and evaluate direct investment opportunities (and risks) – Develop and execute business processes relating to due diligence, documentation and onboarding of acquisitions and developments – Origination and execution of development opportunities 	Strategy team Responsibilities: <ul style="list-style-type: none"> – Identify and evaluate emerging opportunities (and risks) – Initiate and undertake regular stress-testing of business model and positioning – Engage with Board and Senior management in determining and agreeing business priorities – Develop and execute business cases for targeted initiatives – Origination and execution of corporate transaction opportunities 	Investor Relations, Communications and Sustainability teams Responsibilities: <ul style="list-style-type: none"> – Provide technical advice on execution of sustainability objectives – Integrate emerging stakeholder issues into business strategy – Investor, government and media stakeholder engagement
Policy Framework			
Development and Construction Due Diligence Investment Procedures Transactions Handbook Capital Transactions Excellence Method Development Excellence Method Environmental Statement Biodiversity Work Health, Safety & Liability Statement Investor Communications Continuous Disclosure			

2.2 Management practices

Investment due diligence

Dexus has a rigorous process for evaluating the ESG risks and opportunities relating to investment decisions. This includes reviewing long-term asset plans and conducting appropriate environmental due diligence on acquisitions so that ESG risks are identified and effectively managed.

The Investment Committee reports to the GMC and is responsible for reviewing all investment, divestment and development proposals for Dexus and its third party capital partners.

The Investment Committee recognises its fiduciary duty to act in the best interests of Dexus and its third party capital partners and uses a formal process and templates to collect and evaluate a wide range of data relating to risks, opportunities and impacts before approving or endorsing each investment decision.

The due diligence process is used to identify ESG risks, such as exposure to physical climate risk, the ability to attract and meet tenants' 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.

This process requires details on the potential acquisition's environmental performance, including NABERS and Green Star ratings, energy and water consumption, climate change impact research or assessments, building upgrade and improvement plans, past energy and water audits, environmental risk assessments or Initial Status Audits (ISA) along with costings required to implement upgrades to the property in line with the group's net zero emissions ambition.

Potential acquisitions are screened to ensure responsible investment principles are upheld. Outcomes of the due diligence process influence Dexus's investment decisions:

- Material issues could lead to the abandonment of the potential investment
- Less significant issues, risks and opportunities may influence the investment price or the terms of sale, and may present opportunities to reposition and add value to under-performing properties through environmental, carbon and climate resilience initiatives.

However, if an investment fails to meet the ESG due diligence criteria, it may prevent an otherwise worthwhile transaction from proceeding.

Developments

The Development team identifies ESG issues that may affect an investment and are reviewed and approved by the Investment Committee. It then categorises them as:

- Material issues that may lead to the abandonment of the development option
- Less significant issues, risks and opportunities that impact the decision and/or the investment metrics, or the scheme recommendations
- Insignificant issues that are not deemed to affect Dexus or its third party capital partners

If an issue is uncovered, decisions are made whether to pursue the development opportunity or mitigate the impact.

We review environmental metrics for development opportunities with reference to our environmental targets and objectives.

Development helps enable the delivery of our strategic objectives and Dexus has a strong track record in developing high quality office, industrial, retail and healthcare properties in key Australian markets. Our developments have a focus on delivering superior risk adjusted returns through quality, sustainability and enhancing public amenity.

Dexus development lifecycle	
Phase	Elements
Origination	<ul style="list-style-type: none"> – Preliminary feasibility – Asset plans and masterplans (if the opportunity involves an existing asset) – Identifying potential constraints, such as planning controls, existing tenancies, internal capabilities, and physical site constraints – Research market and demographic factors – SWOT analysis for the opportunity
Concept development	<ul style="list-style-type: none"> – Setting up a project team, including external consultants – Stakeholder mapping – Developing and endorsing a concept brief and the concept design
Planning, design and construction	<ul style="list-style-type: none"> – Preparing a development plan and leasing strategy – Progress the design and documentation for the project – Obtaining re-zoning and development approvals – Stakeholder engagement – Construction through a third party project manager and builders
Asset sale or handover	<ul style="list-style-type: none"> – Construction completion, commissioning and ESD verification – Insurances and other regulatory matters – Handover to asset management or capital transactions

Leading Cities continued

Drivers for sustainable development

Our approach to integrating sustainability into our development projects responds to a range of internal and external drivers that underpin ongoing investment in property efficiency and financial and environmental sustainability. These include:

- **Improving rental returns:** The desire to reduce operating costs and manage risk associated with utility prices. Reduced outgoings can mean that Dexus is able to increase profit margins. Evidence has shown that the most efficient and sustainable buildings attract premium rents
- **It makes financial sense:** Investment in energy efficient technology is proven to be one of the lowest cost ways to reduce greenhouse gas emissions and project investments are paid back through reduced utility and maintenance costs in a reasonable timeframe. This is particularly evident for new designs, in which ESG opportunities can be incorporated at reduced marginal cost
- **Consumer demand and sentiment:** The leasing market is competitive, and customers often have a choice of properties to occupy. An increasing expectation among customers is for their property to perform efficiently to meet their ESG needs and minimise outgoings. For example, government agencies set minimum standards for base building NABERS ratings as a minimum requirement when selecting potential space
- **Industry leadership:** Taking a leadership position on ESG initiatives, including reduced carbon footprint and best practice industry ratings (such as 6 star Green Star ratings) and responsible investment by applying suitable focus on ensuring that its properties are leaders in their respective markets
- **Benchmarking:** Green Star and NABERS ratings quickly enable our customers, investors, and the wider community to assess the relative ESG performance of Dexus properties against industry benchmarks
- **Future proofing:** Dexus tackles ESG issues and maximises property performance as part of its long-term risk management strategy and incorporates COVID safe measures.

This ensures the property portfolio is best placed to deal with potential future issues including introduction of environmental minimum standards, taxes or financial penalties associated with resource use and greenhouse gas emissions, and new legislation

- **Attracting and retaining investors:** ESG performance is one of several criteria in which investors allocate funds. Investors interested in investing in sustainable companies will refer to stock exchange sustainability indices including Dow Jones Sustainability Index and FTSE4Good to assist them

Demographics and accessibility

Development design is informed by our Research team, which provides insights into market and demographic trends. These insights are combined with local community engagement feedback and incorporated into development briefs to ensure that the completed property will meet market and demographic demand now and into the future.

Properties are designed to offer flexibility and adaptability in tenancy design. Where appropriate, Dexus invokes inclusive design by engaging local communities, governments, employees and other groups to contribute to the design, so the built outcome is reflective of the interests and diversity of its users and other stakeholders.

All developments are required to ensure accessibility in accordance with the provisions of the Disability Discrimination Act 1992.

Site selection and design

A large proportion of our developments, particularly across the office and retail portfolios, occur within existing developed areas (i.e. brownfield sites). We seek development opportunities in properties in highly connected urban environments and integrate our developments with multi-modal transport networks and facilitate active transport options. Our developments aim to create city precincts that enhance the amenity and vitality of Australia's central business districts.

When selecting sites in greenfield locations and developing site design, our projects seek to protect, restore and conserve aquatic ecosystems, farmland, floodplain functions, and habitat for threatened and endangered species. These features are often protected through development approval conditions that we comply with and at times seek to exceed in order to achieve a net positive biodiversity outcome (see Dexus's Biodiversity Policy).

Development approval conditions and other measures included in development contracts help minimise negative impacts of construction by directing projects to:

- Manage waste by diverting construction and demolition materials from disposal
- Manage waste by diverting reusable vegetation, rocks and soil from disposal
- Protect air quality during construction
- Protection of surface water and aquatic ecosystems by controlling and retaining construction pollutants
- Protect and restore habitat and soils disturbed during construction

Developments seeking Green Star Design & As Built certification are directed to minimise negative impacts of construction through Responsible Construction Practices and Construction and Demolition Waste credit guidelines. Environmental impact assessments are carried out at all sites and on selected sites social impact assessments are undertaken.

Integrating sustainability factors into development projects

We prepare design briefs for all new developments and refurbishments in conjunction with our customers where applicable. Design briefs describe the scope and nature of the development works and incorporate a range of requirements and minimum standards relating to sustainability issues and performance. Each design brief is unique to the development or retrofit, however an overarching document is created for each works project for the purposes of tendering and holding contractors to account against a fully documented list of requirements.

We seek buy-in from prospective customers and agree the final brief before proceeding with construction. We incorporate sustainability into all aspects of the design through the inclusion of sustainable property features including passive cooling, efficient lighting and air conditioning, as well as applying minimum standards to equipment and materials such as insulation R-values and WELS ratings for water fixtures

Provided below is more detail on the integration of key sustainability factors into development projects.

Element	Dexus's approach
Biodiversity and habitat	<p>Our development sites are often brownfield sites with negligible biodiversity value. Where biodiversity may be impacted by our activities, the Dexus Biodiversity Policy directs teams to ensure our developments have a net positive impact on biodiversity and apply an approach to avoid, minimise, restore and offset adverse biodiversity impacts.</p> <p>Developments seeking Green Star Design & As Built certification are directed to manage biodiversity issues in accordance with Land Use and Ecology category credits.</p> <p>We comply, and direct our suppliers to comply, with development conditions that relate to biodiversity conservation at our development sites.</p>
Building safety	<p>Our development projects are expected to uphold the highest standards in building safety, both in terms of safety during construction and the ongoing operation of the asset.</p> <p>Our goal for all projects is a no harm, safe workplace with zero fatalities, both during the development phase and the ongoing operation of the property.</p>
Climate change adaptation and resilience	<p>We assess potential climate change risks and changes to exposure and vulnerability regarding future climate scenarios.</p> <p>Developments with high inherent climate change risk that are seeking Green Star Design & As Built certification are directed to manage climate change adaptation issues in accordance with the Adaptation and Resilience credit guidelines.</p> <p>We comply, and direct our suppliers to comply, with development conditions that relate to climate change adaptation at our development sites, including but not limited to flood mitigation measures.</p> <p>Incorporating climate-related issues into development processes can ensure that Dexus properties are low carbon from day one of operation and have the capacity to integrate the technologies of the future as they mature. Key actions supporting the climate resilience of our developments include:</p> <ul style="list-style-type: none"> – 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 – Exploring design opportunities that maximise the adaptability and flexibility of buildings over time, so they can accommodate future changes in climate and technology – Assessing the embodied carbon of our developments, with a view to reducing embodied carbon over time – Continuing the use of tools such as Green Star and life cycle assessment
Energy consumption/management and greenhouse gas emissions	<p>Across our developments, we are committed to designing for operational efficiency, targeting net zero emissions from operations by 30 June 2022 and sourcing 100% renewable energy by 2030. We collaborate with industrial customers to incorporate on-site solar electricity generation for new industrial developments.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy and emissions management issues in accordance with the Energy category credits.</p> <p>Energy efficiency is integrated into the whole-of-property design process, and projects seek to exceed relevant energy codes, achieve leading Green Star and NABERS Energy ratings and support our net zero emissions ambition. Common energy efficiency measures include:</p> <ul style="list-style-type: none"> – High efficiency HVAC (heating, ventilation and air conditioning) systems – High efficiency lighting – Independent building commissioning – Occupant sensors and controls to match indoor environmental conditions with occupant requirements – Energy modelling to assess property energy performance and inform design

Leading Cities continued

Element	Dexus's approach
Environmental attributes of building materials	<p>We aim to take a lifecycle approach to inform financial business cases for low embodied carbon for materials at key projects.</p> <p>Developments seeking Green Star Design & As Built certification are directed to address issues regarding the environmental attributes of building materials consumption and management issues in accordance with the Materials category credits.</p> <p>Selection of materials at our development projects is often the responsibility of our suppliers. Dexus's Sustainable Procurement Policy and Supplier Code of Conduct directs suppliers to procure sustainable products and services where feasible that:</p> <ul style="list-style-type: none"> – Have a lower embedded carbon footprint due to selection of raw materials and efficient manufacturing processes – Contain a high recycled content and produced in a way to ensure it can be recycled through common services – Are certified to internationally recognised standards or demonstrate other applicable sustainability criteria – Support our net zero emissions commitment
Health and wellbeing	<p>We support occupant health and wellbeing at our developments through focusing on indoor environmental quality and supporting initiatives in property design and subsequent operations, including comprehensive end-of-trip and wellness facilities</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy consumption and management issues in accordance with the Indoor Environmental Quality category credits.</p> <p>At select developments, we elect to obtain WELL Certification to further enhance a property's health and wellbeing performance.</p>
Location and transportation	<p>Most of Dexus's portfolio is strategically located in Australia's major cities with strong multi-modal transport networks. We also encourage active transport by providing end-of-trip facilities in our properties and supporting initiatives such as access to bicycle maintenance through our online property portals.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate multi-modal transportation access and facilities issues in accordance with the Transport category credits.</p>
Supply chain	<p>Dexus's Sustainable Procurement Policy and Supplier Code of Conduct are included in all developer contracts and direct suppliers to comply with relevant legislation and contribute to our sustainability objectives.</p>

Element	Dexus's approach
Water consumption/management	<p>We focus on sound water management through designing new properties to achieve minimum NABERS Water standards and integration of water saving measures such as on-site storage tanks and efficient fixtures.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy consumption and management issues in accordance with the Water category credits.</p> <p>Water management is integrated into the whole-of-building design process, and projects seek to exceed relevant energy codes and achieve Dexus's Green Star and NABERS Water ambitions. Common requirements and measures included in developments are:</p> <ul style="list-style-type: none"> – Requiring high efficiency fixtures to enhance indoor water efficiency – Requiring drought tolerant landscaping and use of non-potable water sources (rainwater, stormwater, greywater) for outdoor uses to enhance outdoor water efficiency – Water system commissioning and tuning to enhance process water efficiency – Leak detection systems – Occupant sensors to control water flows
Waste management	<p>We focus on waste management through development and implementation of construction and operational waste management plans.</p> <p>Developments seeking Green Star Design & As Built certification are directed to integrate energy consumption and management issues in accordance with the Operational Waste and Construction and Demolition Waste credit guidelines.</p> <p>Expected inclusions within construction waste management plans are:</p> <ul style="list-style-type: none"> – Construction waste signage – Targets for waste stream recovery, reuse and recycling – Waste separation facilities – Waste monitoring (including hazardous and non-hazardous waste monitoring) <p>Contractors have financial incentives to recover, reuse and recycle building materials through avoided costs associated with sending waste to landfill. We educate employees on appropriate waste management and support contractors to deliver waste management education at our development sites.</p>
Green building certifications	<p>Dexus selectively rates new developments against the Green Building Council of Australia's (GBCA) Green Star Design & As Built ratings and continues to present Green Star opportunities to all pre-lease construction opportunities. Dexus targets to achieve at least 5 Star Green Star Design & As Built ratings across all new office and healthcare developments as well as select industrial developments.</p> <p>Select office developments seek excellence in property health and wellbeing by targeting WELL certification from the International WELL Building Institute.</p>
Environmental and health attributes of building materials	<p>Building materials selection for Dexus developments is usually undertaken by development contractors. Dexus's Sustainable Procurement Policy and Supplier Code of Conduct is built into all development contracts and contains expectations for contractors regarding the environmental performance and health attributes of building materials.</p> <p>We obtain product data sheets from contractors detailing the environmental and health attributes of building materials as part of the design phase then in the certification of the property for its use. Wherever a development brief is likely to contain hazardous materials, the contractor is to provide independently certified laboratory tested hazardous materials clearance certificates.</p>

2.3 Stakeholder engagement

Building and nurturing strong working relationships with our stakeholders is critical to our value creation. Our key stakeholders include investors, third party capital partners, customers, communities, suppliers, government, media, and our people. We aim to build lasting relationships with our stakeholders through an active program of engagement activities. As part of our periodic materiality assessment, we involve groups of our key stakeholders to help identify key issues that impact our ability to create value for our stakeholders over the short, medium and long term. The table below identifies our key stakeholder groups and how we engage with them. Additional detail is also available in the Dexus Stakeholder Engagement Guideline at www.dexus.com/corporategovernance

Stakeholder group	Engagement objectives and activities
Dexus (DXS) investors	<p>Dexus is listed on the Australian Securities Exchange (ASX: DXS) and has a large investor base of more than 30,000 Security holders. The majority of securities are owned by institutional investors such as superannuation funds, sovereign wealth funds and index funds. Almost half of our investors are based in Australia, with strong representation from North America, the United Kingdom and Asia.</p> <p>Objectives</p> <p>Our engagement with investors aims to:</p> <ul style="list-style-type: none"> – Educate investors about our business using accurate, timely and comprehensive information – Understand investors' perceptions about us – Ensure that our security price reflects fair value – Enhance interest in Dexus as a suitable investment proposition – Benchmark our performance using ESG surveys <p>How we engage</p> <p>Dexus has an investor relations and communications strategy that promotes an informed market and encourages participation with investors. This strategy involves providing an open and ongoing two-way dialogue with the investment community and other key stakeholders that integrates the communication of financial and operational performance and regulatory reporting requirements. Enquiries received from Dexus investors are addressed in a timely manner in accordance with Dexus's policy on the handling of enquiries and complaints.</p> <p>A core element of our engagement with investors is the comprehensive reporting of our performance through:</p> <ul style="list-style-type: none"> – Annual and half-year reports that include property performance metrics, comparison against benchmarks, key events that have occurred and their impacts on the portfolio including but not limited to acquisitions, divestments and developments – Annual General Meetings – Sustainability performance reporting including current NABERS ratings, intensity figures for energy, water and greenhouse gas emissions, as well as efficiency improvement projects – Participation in investor ESG surveys and responding to investor requests for ESG information – Perception studies completed by third parties to understand investor sentiment and our position relative to peers

Stakeholder group	Engagement objectives and activities
Third party capital partners (unlisted investors)	<p>Dexus's funds management business has a diversified mix of institutional investors across its seven managed vehicles, with strong representation from Australia, plus Asia, North America and Europe. Third party capital is largely sourced from domestic and offshore superannuation/pension funds, with sovereign wealth funds, insurance agencies, multi-managers, corporations, educational and charitable entities also represented.</p> <p>Objectives</p> <p>In addition to the objectives for Dexus investors, the funds management business works to:</p> <ul style="list-style-type: none"> – Attract and retain capital from third party partners – Inform its third party capital partners (and their advisors) on the broader Dexus business and our integrated model – Ensure investor confidence in Dexus's corporate governance processes and management of related party conflicts – Understand investment, reporting, ESG and regulatory requirements of institutional investors – Promote transparency and ongoing two-way dialogue <p>How we engage</p> <p>The unlisted pooled funds hold Annual General Meetings. These funds also provide best-in-class corporate governance through the provision of Investor Advisory Committees comprising a combination of majority and minority investors to oversee key fund decisions including related party transactions.</p> <p>Joint venture partners are intimately involved in the management of the portfolio and are included in decision-making on all major matters.</p> <p>Third party capital partners, depending on the vehicle invested in, may receive formal monthly, quarterly and annual reports including property and financial performance metrics, comparison against benchmarks (where relevant), key events that have occurred and their impacts on the portfolio (e.g. acquisitions, divestments, developments).</p> <p>Third party capital partners also have access to dedicated investor internet portal, enabling self-service access to transaction data, investment information and key documentation on the investment vehicle.</p>

Leading Cities continued

Stakeholder group	Engagement objectives and activities
Government, regulators, and industry	<p data-bbox="384 255 1431 315">We maintain an active and extensive engagement program to represent the interests of Dexus with various government authorities, politicians and industry bodies.</p> <p data-bbox="384 329 1431 358">Dexus contributes to industry associations through membership fees and sponsorship opportunities.</p> <p data-bbox="384 371 1342 432">Our involvement in industry associations is designed to contribute to a collective voice that champions the property industry's role in delivering sustainable economic growth.</p> <p data-bbox="384 445 1431 555">Dexus does not make political donations or provide gifts to politicians or public servants (including hosting or attending events that can be classified as donations). As per the Dexus Political Donations Policy, Dexus employees and Directors are prohibited from using Dexus funds for political contributions. Where we engage with government we do so in an ethical and transparent manner.</p> <p data-bbox="384 577 496 607">Objectives</p> <p data-bbox="384 613 1177 642">The objectives of our engagement with government and regulators include:</p> <ul data-bbox="384 649 1410 846" style="list-style-type: none"> – Maintaining our reputation as a contributor to economic growth and leading city outcomes – Understanding potential legal and regulatory changes relevant to the Dexus business – Ensuring authorities have current information about our properties in their jurisdiction – Understanding how we can deliver on civic priorities through our developments and operations, including how we can enhance the public realm of our precincts – Contributing to industry reform <p data-bbox="384 869 555 898">How we engage</p> <p data-bbox="384 904 1350 965">The Dexus Investor Relations and Communications team manages engagement with public authorities and industry associations.</p> <p data-bbox="384 978 1447 1176">We work closely with the main body representing the property industry – the Property Council of Australia (PCA) – to support and encourage effective policy development for the property industry, developing recommendations and drafting submissions to government and statutory authorities. Dexus is represented on a range of PCA industry committees and may be requested to participate in working groups facilitated by the PCA. In these situations, Dexus representatives act for the benefit of the property industry as a whole. Areas of engagement include collaborating on issues such as gender diversity, green building, and strategic urban planning.</p> <p data-bbox="384 1189 1331 1272">We also regularly engage with the industry and broader stakeholder communities through speaking engagements, presentations or panel representation, at both Australian and international conferences and events.</p> <p data-bbox="384 1285 1431 1456">We engage with local, state and federal government officials and policy makers as needed to discuss and present our views regarding issues such as local and state planning, local infrastructure and the environmental and social impacts of proposed developments. In these engagements, we aim to foster constructive two-way dialogue that aligns Dexus and government interests and delivers a mutually beneficial outcome. We undertake political engagement activities, including the use of lobbyists, in line with legislative restrictions in the various Australian jurisdictions.</p> <p data-bbox="384 1469 1342 1579">The Dexus Risk, Compliance and Governance teams maintain a respectful and transparent relationship with regulators and aim to meet any of their requests for information in a timely matter. We support regulatory examinations and ensure prompt reporting of compliance incidents where required.</p>

Stakeholder group	Engagement objectives and activities
Media	<p>We engage with local, state and national media to communicate news about our activities that is material to markets and of interest to the broader community. We also recognise the value of social media as a communication tool.</p> <p>Objectives</p> <p>Objectives of our media engagement include:</p> <ul style="list-style-type: none"> – Providing relevant, accurate information about Dexus and its activities to media outlets for dissemination – Managing and enhancing Dexus's reputation <p>How we engage</p> <p>The Dexus Investor Relations and Communications team leads our engagement with mainstream media and social media channels and is responsible for the coordination of the group's external messaging to ensure accuracy and consistency.</p> <p>We provide a single point of contact for media outlets for enquiries and, through a coordinated program with executives, regularly engage in conversation with key national and state-based media representatives. The Dexus Media (including Social Media) Compliance Policy provides guidance for employees on engaging with the media and ensuring any information provided is accurate and appropriate for disclosure. All official Dexus spokespeople undertake media training organised by the Investor Relations and Communications team.</p> <p>Dexus maintains a presence on the following social media networks:</p> <ul style="list-style-type: none"> – LinkedIn – https://www.linkedin.com/company/dexus-property-group/ – Facebook – https://www.facebook.com/dexusau/ – Instagram – http://www.instagram.com/dexus_community <p>We use these social media networks to disseminate stories about our workspace insights and activities. The Dexus Media (including Social Media) Compliance Policy describes our approach to social media and provides guidance for employees on the appropriate use of social media.</p> <p>We regularly review our media engagement activities, using insights from media monitoring providers and social media networks to understand our reach, emerging issues, and trends of interest to our stakeholders.</p>
Local communities at development projects	<p>At all properties (100%) under development we engage with local communities and relevant authorities as part of the development approvals process.</p> <p>Objectives</p> <p>We recognise the value of community consultation on new developments and refurbishments to:</p> <ul style="list-style-type: none"> – Provide relevant and accurate information about Dexus group development projects – Understand how development projects may impact local communities and inform mitigation activities – Receive community feedback on development design and features <p>How we engage</p> <p>The exact methods of community engagement depend on the nature of the development. Aspects that are generally included in our approach to community engagement include:</p> <ul style="list-style-type: none"> – Identifying stakeholders that may be impacted by the development – Identifying nuisance and/or disruption risks (e.g. noise, traffic changes) – Development and implementation of a communication plan (e.g. hotlines, fact sheets) – Development and implementation of a monitoring plan (e.g. monitoring issues register) – Development and implementation of a risk mitigation plan
Local communities at operational assets	The Strong Communities section of the Sustainability Approach and Procedures (pages 147–149) details how we engage local communities at operational assets.
Customers	The Future Enabled Customers section of the Sustainability Approach and Procedures (pages 140–146) details how we engage customers across our portfolio.
Employees	The Thriving People section of the Sustainability Approach and Procedures (pages 131–139) details how we engage our people.
Suppliers	The Supply Chain section of the Sustainability Approach and Procedures (pages 150–157) details how we engage our suppliers.

Leading Cities continued

2.4 Evaluation and continuous improvement

We regularly evaluate our overall strategy and employ several mechanisms to monitor performance against strategic objectives, report progress to the GMC, and drive continuous improvements.

The table below specifies key performance indicators that we use to evaluate our Leading Cities outputs and impacts.

Leading cities	Output	Impact
Economic contribution	– Value of portfolio	– Leading destinations that attract economic activity to our cities
	– Portfolio occupancy rates	
	– Construction jobs supported at development projects	– Economic contribution to local communities
	– Gross value added to the economy from development projects	
Sustainable development	– Green building certifications achieved at development projects (including but not limited to Green Star, NABERS, WELL)	– Demonstration of sustainable development outcomes
		– Environmental and health impacts as described elsewhere in this document (e.g. improved health from reduced pollution, enhanced occupant wellbeing)
Stakeholder engagement	– Meetings with investors, government, and other stakeholders	– Enhanced reputation from strengthened stakeholder sentiment and strong, consistent communication
	– Media reach and ASR (advertising space revenue)	– Enhanced communication to general public
	– Social media analytics (followers and engagement)	– Enhanced reputation from strong positioning of brand and business activity



Thriving People

Building an engaged and capable workforce that delivers on our strategy and supports the creation of sustained value.

Our Thriving People objective recognises the direct relationship between the capability of our people and the success of our business. When we effectively engage our people, develop their capabilities and provide opportunities for growth, we can harness their full potential and enhance our sustained value creation.

The focus areas for our approach to Thriving People are:

– **Employee engagement and retention:** the more enthusiastic and engaged our people are, the more likely they are to remain at Dexus and contribute positively, leading to greater productivity outcomes, lower recruitment costs and increase employee satisfaction. We are focused on creating and supporting a culture where our people are fulfilled by their work and have opportunities to grow

– **Professional development:** creating learning opportunities and offering development is a core component of attracting and retaining a talented workforce. We support the ongoing growth of our people by providing targeted and structured learning and development that meets their unique needs

– **Inclusion and diversity:** an inclusive workplace with a diversity of views is a driver of competitive advantage. Diversity means valuing an individual's race, gender identity, age, religious belief, ethnicity, cultural background, economic circumstance, disability, expression of thought and sexual orientation as well as their experiences, skills and capabilities to create a business environment that encourages a range of perspectives

– **Workplace health, safety and wellbeing:** we have a duty of care to our people, as well as investors, customers, and the wider community to ensure WHS risks are appropriately managed. We recognise that safety incorporates more than physical safety, with psychological safety contributing significantly to productivity outcomes and employee engagement. We value our people and recognise the intrinsic importance of their health and wellbeing as well as its impact on business performance

The boundary for our approach encompasses all Dexus employees and corporate contractors across our corporate offices and site-based teams within the Dexus group portfolio, with impacts felt across our employees and their families.



Thriving People continued

3.1 Roles and Responsibilities

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objective of Thriving People. The table below provides insight into the relevant management structure and policy framework. Several policies are publicly available at www.dexus.com/corporategovernance.

Thriving People management framework	
Dexus Board (Board)	
Responsibility for approving remuneration outcomes and people policies	
Board People & Remuneration Committee	
Oversight of people practices by reviewing and endorsing key policies and practices around employee engagement, professional development, succession planning, culture, inclusion and diversity	
Group Management Committee (GMC)	
Responsibility for alignment of Dexus's corporate culture with its goals and objectives and sustaining competitive advantage by maximising available human and other resources and encouraging employee commitment	
People and Culture team	Risk team
Responsible for executing Thriving People strategy across: <ul style="list-style-type: none">– Employee culture and engagement– Talent attraction and retention– Learning and development– Remuneration– Inclusion and diversity	Oversight of workplace health and safety
Policy Framework	
Employee Code of Conduct Inclusion and Diversity Flexible Working Work Health, Safety and Liability Human Rights Whistleblower Training and Education Workplace Behaviour Leave	

Our purpose

The Dexus Purpose was defined by our people and sets out themes that guide us on our value creation journey. These themes include:

- **Who we are:** We are a passionate and agile team who want to make a difference
- **Why we come to work:** We create spaces where people thrive
- **What we believe in:** We are here to create value for customers, investors, communities and our people
- **How we behave and what we value:** Openness, trust, empowerment, integrity

We set annual commitments relating to our Thriving People focus areas and report on progress against these commitments in our Annual Reporting Suite.

3.2 Employee engagement and performance

We nurture and sustain an engaged, high-performing workforce that embraces our purpose and is motivated to deliver on Dexus's strategy. Engaged employees are more likely to generate and implement innovative ideas, apply discretionary effort and act as brand custodians.

Employee Listening Strategy

Dexus Employee Listening Strategy			
Objectives			
Generate real time feedback Close the loop Enable continuous improvement			
Census/pulse	Always on	Personal/anecdotal	Deep dive
Generate a workforce profile and understand what our people need to thrive at Dexus	Measure the moments that matter in the employee lifecycle and business lifecycle	Deep dive into employee experience to respond to trends and explore the feedback	Improve effectiveness by developing leaders, teams and Dexus as a whole
e.g. Pulse surveys	e.g. Live Q&A during CEO Town Halls	e.g. Focus groups	e.g. Organisational culture tracking and reporting

We survey our people at least twice per year to understand levels of engagement and sentiment around workplace issues such as inclusion and diversity, change management, and health and wellbeing. An outcome of these surveys is an employee Net Promoter Score (NPS), which we use as our key metric for tracking engagement. We also analyse survey results by business unit to understand how sentiment varies across Dexus and to identify any focus areas. We set employee NPS targets in our annual reporting and use survey results to inform action plans to lift engagement where required.

The Dexus Purpose is an important component of how we engage our employees and instill the right culture. The purpose directs our people to focus on value creation for our investors, customers, employees and communities. It reinforces our values of openness and trust, empowerment and integrity.

Employee attraction and retention

Attraction, engagement and retention of employees is an integrated and continuous process. The GMC conducts a talent management and capability assessment and the Board People & Remuneration Committee oversees this process.

Our recruitment model incorporates the following aspects:

- **Attraction** – Using advanced recruitment technology to support an enhanced best practice recruitment process, supported by hiring managers who have been educated on unconscious bias.

- **Attraction** – Operating a careers website to capture talent pools for key job segments. This process provides an efficient way to access a diverse range of talent pools, enabling the group to attract the best people effectively.
- **Attraction** – Regularly updated Employee Value Proposition (EVP) with key values clearly articulated throughout recruitment process.
- **Retention** – Promoting opportunities internally to aid career development.
- **Retention** – Pipelining and developing internal candidates for future opportunities.

Performance management and role clarity

Employees undertake ongoing check-ins with their managers to:

- Agree on and evaluate progress against targets and objectives
- Agree on a personal development plan
- Discuss personal flexibility needs

We adopt a Balanced Scorecard methodology to manage executive and employee performance, which measures contribution and achievements against threshold, stretch and outperformance targets. Scorecards also motivate all leaders and employees to strive for outperformance within their teams.

Key performance indicators (KPIs) are agreed with each employee in collaboration with their manager, to provide a measurable yardstick against actual performance.

KPIs align with organisational goals and values, and vary for each employee depending on their role. Our 3+1 approach to setting personal objectives directs employees to set three individual KPIs that align with organisational goals, and a personal Thrive goal that identifies the one simple thing they need to thrive. Thrive goals can relate to factors such as career, passion, flexibility, development, health or volunteering.

Reward, recognition and benefits

We recognise and reward employees who contribute to the success and growth of the group. Our remuneration structure is based on:

- Market competitiveness
- Alignment of performance payments with the achievement of financial and operational objectives that support the group's risk management framework and values-based culture
- A targeted mix of remuneration components including immediate performance payments and deferred performance payments linked to returns over the longer term

The Board People & Remuneration Committee reviews trends in employee reward structures and strategies in other comparable companies. The annual employee remuneration review considers gender pay gaps to maintain gender pay equity (page 135).

All employees are employed in Australia and are paid above the Australian minimum wage.

Thriving People continued

Key components of our reward and recognition program are:

- **Fixed Pay** – each position is matched to a comparable industry role using benchmark data and continually reviews and assesses our position with an aim to be market leaders
- **Benefits** – comprises a Wellbeing Subsidy (\$100 per month), Dexus Days (5 days of additional leave annually), Employee Share Ownership Plan (\$1,000 grant per annum) and other employment, lifestyle and financial benefits
- **Incentives** – Group Incentive Plan, Recognition Pool, Short and Long Term Incentive plans. Performance is generally assessed over a one-year period commencing 1 July, however, senior management and executives also focus on a longer time horizon through the deferred elements of the Short Term incentive plan (1 and 2 years) and the Long Term incentive plan (3 and 4 years)

Our Recognition Pool ensures that we reward performance that goes above and beyond daily tasks, allowing for the acknowledgement of great performance through non-financial means. Some of the rewards in the Recognition Pool include:

- **Peer acknowledgement** through forums and employee updates
- **Additional time off** above and beyond standard allowances
- **Education of interest** to the individual, including attendance at courses, seminars and conferences
- **Experiences** of interest to the individual

Freedom of association and collective bargaining

Our employees are employed under individual contracts which comply with the National Employment Standards (NES). All employees are covered by the conditions of an Award and/or of the NES. Dexus provides employees with individual contracts to provide clarity of their engagement with Dexus, this does not remove any rights an employee has under an Award for NES. These Awards or standards clearly indicate all employees are free to associate, and as per the Dexus Human Rights Policy we do not engage in any practices that discourage freedom of association or collective bargaining.

Managing organisational changes

Organisational redesign involves consideration of our organisational capability requirements to effectively deliver both strategic and operational requirements both now and in the future. Where organisational redesign results in significant changes or the closure of a role, employees are informed in a reasonable timeframe and wherever possible, impacted employees are provided development to meet the role requirements or internally redeployed.

Employees who involuntarily leave Dexus may be eligible for career transition support services, including personal coaching, retraining, tools and support to assist with exploring career options. Our provider offers four levels of career transition support. This is tailored to provide appropriate support for the seniority of the individual and the role opportunities that match their experience and skillset. For our executive level, this includes executive career coaching, networking, educational courses and job leads.

Employees are also eligible for our Employee Assistance Program for up to three months post their employment to provide additional personal support through this transition.

3.3 Learning and development

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

- **Experience** – learning through doing
- **Exposure** – learning through others
- **Education** – formal learning such as classroom sessions and online learning

We design and implement a comprehensive learning and development curriculum to build employees' skills, knowledge and experience to deliver business objectives. The Training and Education Policy outlines the objectives for training employees with a focus on strategic training needs that Dexus has identified:

- Ensuring that our people maintain the necessary knowledge, skills and experience required to perform their job functions and responsibilities fairly, honestly and efficiently
- Developing new knowledge and skills to foster innovation and to grow employees' capabilities

- Updating knowledge and skills for changes to legislation, regulatory policies and standards, company policies and procedures, economic and financial developments, new products and new market practices
- Ensuring compliance with relevant industry training standards and qualifications
- Increasing awareness of our compliance policies and expectations relating to ethics and integrity

Managers work with each employee to ensure they have the necessary capacity, competence, knowledge, training, seniority and skills to perform their role.

Our people work with their managers to prepare and implement individual training plans to maintain and update employee skills and knowledge. Activities include executive coaching, support mentoring programs, study assistance and a talent management process designed to promote employee development.

Training activities also extend to developing the capabilities of the group's partner providers, including on-site training of facilities management teams in the operation of enhanced building management systems and customer service.

Leadership development

We conduct leadership development programs to enhance consistent capabilities of management and to drive commercial and cultural change. Our leadership program includes individualised development plans that target improvement in specific behaviours, skills and knowledge, along with experiences to enable success in the leadership role. Lead @ Dexus is our core leadership program, which aims to create alignment on the expectations common to all leaders across Dexus, whether they are leading others, teams, or the organisation.

An online performance management system is used to manage and improve the abilities of managers and to facilitate employee self-development. People managers participate in a Manage @ Dexus series which comprises a series of lessons which equip new and developing managers to meet team leadership and role responsibilities.

Directors attend facilitated education and training events to meet their Continuing Professional Development requirements and contribute to their obligations set by the Australian Institute of Company Directors.

3.4 Inclusion and diversity

We are committed to attracting and retaining a diverse workforce that brings a range of perspectives and helps us execute our strategy in an ever-changing business environment.

Diversity policies and practices

Our Inclusion and Diversity Policy embraces diversity in gender identity, race, age, disability, sexual orientation, nationality, education, socioeconomic background, work experience, relationship status, family/carer responsibilities and personality. These factors influence the unique perspectives that our employees bring to the workplace. Our people should feel safe and empowered to bring their whole selves to work every day.

Set out below is a summary of the objectives and approaches within our inclusion and diversity strategy.

Inclusion and diversity strategy goal: Equality is a business and cultural norm		
Objectives		
Employee <ul style="list-style-type: none"> – Foster an inclusive culture – Recognise the unique needs of our people – Empower our people to use diverse talents 	Customers <ul style="list-style-type: none"> – Use diversity to achieve high performing culture – Differentiate Dexu from competitors – Enable delivery of outstanding results and service 	Community <ul style="list-style-type: none"> – Ensure Dexu's population is demographically diverse and reflects the communities where we operate
Management Approach		
Dimensions <ul style="list-style-type: none"> – Gender identity – Caring responsibilities – Ethnicity and culture – Sexual orientation – Age and generation – First Nations culture – Ability 	Levers <ul style="list-style-type: none"> – Talent pipeline and succession planning – Pay equity – Leadership – Inclusive culture – Recruitment – Training and development – Job design and flexible workforce – Strategies, policies and procedures – Measurement, reporting and monitoring 	Processes <ul style="list-style-type: none"> – Research, understanding, debate – Events, campaigns, awareness raising – Policies, procedures, programs and training – Workforce and recruiting – Customer and supply chain – Public commitment
Gender diversity and pay parity <p>Dexu is recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency (WGEA), an affirmation of our commitment to building gender diversity and sustaining gender equality within our workforce.</p> <p>We have a target to maintain at least 33% female representation on our Board. Within our workforce, we have a commitment to achieving 40% female, 40% male, and 20% any gender representation across senior and executive management roles (40:40:20 target) by FY23.</p> <p>Dexu is committed to closing the gender pay gap, with a commitment to achieving and maintaining pay parity in like-for-like roles.</p>	<p>Our approach to achieving gender pay parity is consistent with WGEA guidance, and includes:</p> <ul style="list-style-type: none"> – Reducing the absolute pay gap through progressive action and the 40:40:20 target – Monitoring the market-relative pay gap, which benchmarks employee pay against appropriate market benchmarks, and taking action to rectify any material variation between how females or males are positioned against the relevant benchmarks – Monitoring the peer-relative pay gap, which compares the average female and male full-time fixed pay where the same role is occupied by at least three individuals from each gender, and taking action to rectify any instances where female and male pay varies significantly in these 'like-for-like' roles 	<p>Dexu's approach to achieving gender pay parity has been endorsed by WGEA. It is designed to progressively close the gender pay gap, provide assurance that the remuneration offered to employees is both 'fair' and 'equitable', and identify where there may be cases of conscious or unconscious bias in the application of our remuneration approach.</p> <p>Other initiatives focused on supporting gender diversity include:</p> <ul style="list-style-type: none"> – Girls in Property – Dexu launched 'Future Leaders in Property', a program targeting high school girls interested in exploring career opportunities within the property industry – Champions of Change Coalition <ul style="list-style-type: none"> – Darren Steinberg, Dexu Chief Executive Officer, champions gender equity within the property industry as part of the Champions of Change Coalition program

Thriving People continued

– Conferences and panels –

Encouraging gender balanced forums and panels for internal and external events, as well as encouraging Dexus's external partners, suppliers and conference organisers to adopt Dexus's approach

Supporting parents and carers

We provide paid parental leave for both primary and non-primary carers regardless of gender. All parental leave benefits exceed statutory minimums and are available to eligible employees regardless of whether they are also eligible for government-issued benefits. We do not have a minimum employment period eligibility requirement for access to these benefits.

We recognise the gender imbalance regarding traditional caring responsibilities and actively encourage male employees to access paid parental leave entitlements. We ensure continuity of superannuation throughout unpaid parental leave and provide a return-to-work program to supporting employees transitioning from parenting to work (both part-time and full-time).

Our inclusive Parental Leave Policy complements our goals of attracting and retaining the best talent and our purpose of creating spaces where people thrive. This is demonstrated by:

- Return to work targets being consistently achieved, which is indicative of our strong engagement with working parents, our strategic talent framework and constructive culture
- A significant increase in males taking paid primary carer leave which supports our gender equality agenda
- Increasing numbers of employee supported with job security and career continuation within the first year of employment

Dexus employees also have access to an initiative that offers priority of access to childcare spaces at Guardian Early Learning Centres nationally.

Flexible job design

We strive to create a work environment which encourages and promotes a healthy work-life balance and offers flexible working hours to support this. Our Flexible Work Policy enables our people to arrange flexible working arrangements with their manager.

The policy seeks to increase personal wellbeing and employee engagement, improve team performance and motivation, maximise productivity and retain talent.

Our Flexibility Policy underpins our commitment to workplace gender equality, providing our people the flexibility to choose their place of work that best supports their productivity.

Diversity networks, initiatives, events

We have established several networks and initiatives that embed inclusion across the organisation and recognise diversity in all its forms:

- The Dexus **TRIBE Network** is an employee-led group that celebrates LGBTI+ inclusion in the workplace, supporting Dexus's broader commitment to enabling psychological safety at work
- **NAIDOC Week** is recognised annually to remember and the history, culture and achievements of Aboriginal and Torres Strait Islander people
- Dexus participates in the **Share-A-Book program** where books are donated to indigenous, refugee and marginalised communities
- Dexus celebrates cultural diversity on **Harmony Day** which coincides with the United Nations International Day for the Elimination of Racial Discrimination
- **International Women's Day** is celebrated annually to recognise the success of all the women across Dexus

Human rights

Our Human Rights Policy outlines commitments to sustainable procurement, First Nations rights, equal opportunity and human rights legislation. Dexus reviews and monitors human rights against the policy internally and with key service providers and business partners. Pages 150–158 detail our approach to supply chain management, including upholding human rights and preventing modern slavery.

The Dexus People and Culture team use a human rights due diligence process including an identity and visa status check during the recruitment process. Any material issues such as a candidate's inability to evidence their right to work will lead to the abandonment of potential employment. All Dexus employees earn wages above Australian legal minimums and are free to associate and enter into collective bargaining agreements.

We uphold human rights in our workplace through:

- Building an inclusive and diverse workplace that is free from discrimination, bullying and harassment, and that offers equal opportunity in career advancement
- Providing leave entitlements and other benefits enabling employees to enjoy the right to family, recreation and work-life balance
- Focusing on employee health and safety through risk management and wellbeing initiatives
- Training employees so they can recognise the occurrence of discrimination, modern slavery, and other human rights abuses, and feel confident to speak up

Other focus areas identified by our People and Culture team in recent human rights assessments include:

- Addressing the gap in superannuation to women due to taking parental leave
- Reviewing policies and support systems available to employees suffering from domestic violence
- Providing services and support systems to employees experiencing mental health concerns

We conduct exit surveys for staff that leave the business. The surveys help Dexus determine whether organisational culture or human rights considerations contributed to an employee's departure.

3.5 Health and wellbeing

Safe & Well

Dexus has established a Safe & Well program to support the mental, physical, financial and work wellbeing of our people. Safe & Well provides a breadth of resources, freely accessible to Dexus employees. These resources work alongside our partnership with Benestar (also known as the Employee Assistance Program), which offers counselling and coaching services to all employees and their families.

Safe & Well supports the mental wellbeing of our people through:

- Access to services and information from mental health groups
- Mindfulness tools
- Educational videos on resilience, managing stress for positive change, and maintaining mental health during a crisis

Safe & Well supports the physical wellbeing of our people through:

- Medical offerings such as flu vaccinations
- Health insurance offer with Medibank for savings on private health insurance (note that Dexus employees who are Australian citizens or permanent residents have access to healthcare through the Australian Government, regardless of whether they purchase private health insurance)
- Resources to support healthy movement and sleep patterns
- Access to discounts at participating gyms and fitness programs
- Nutrition advice and resources

Safe & Well supports the financial wellbeing of our people through:

- Learning modules about the pillars of financial foundations
- Wellbeing allowance of \$100 (pre-tax) added to all employee pay each month
- Gifting of Dexus securities through the Employee Share Ownership Plan (provides \$1,000 of Dexus securities every year to all full- and part-time permanent employees)
- Benefits associated with Dexus's preferred superannuation provider, MLC

Safe & Well supports the work wellbeing of our people through:

- Clarity in objectives and expectations, through our 3+1 approach to setting personal KPIs (page 133)
- Our check-in culture that promotes continuous feedback
- Connecting our people with each other across the business through social and networking events
- Collaboration systems that enable our people to work together effectively

Our people also have access to the wellbeing products and services (page 144).

Maintaining a safe workspace

Our Work Health, Safety and Liability (WHS&L) Statement governs the physical and psychological health and safety of employees, investors, customers and the community at our properties. The Statement governs the development, management and monitoring of tailored WHS&L risk management systems, training of personnel, and designation of responsibilities and resources to meet program obligations. It also governs the group's Return to Work policy for injured employees, in addition to the monitoring, evaluating and reporting of our WHS&L performance. The key legislation governing WHS at Dexus is the Work Health and Safety Act 2011 (Cth), supported by similar legislation that varies across the states where Dexus operates.

We implement a comprehensive workplace health and safety program that is certified under ISO 45001, an internationally applied standard for occupational health and safety management systems. Through this system, we comprehensively monitor the health and wellbeing of employees and manage solutions to prevent workplace incidents and occupational diseases.

Employee health and safety is supported by our Periskope risk management system, which contains information on WHS and property-related incidents and risk assessments, manuals, guidance material, tasks management and audit information.

Upon inception and at least annually, employees are trained on Dexus's health and safety management system and the use of systems including Periskope. Employees are made aware of their roles and responsibilities regarding risk identification and reporting. Incident reports must be completed for all incidents within 24 hours or as soon as is reasonably practicable. If the incident involves a Dexus employee, it also must be reported to the Return to Work coordinator and the Risk team as soon as reasonably practicable.

We promote a 'no fault' culture to encourage employees to come forward with concerns and report incidents without fear of reprisals. The Dexus Whistleblower Policy and independent disclosure service are also available to Dexus employees who wish to raise concerns under the protections available to whistleblowers per Australian legislation.

Health and safety programs are subject to annual external audit and improvement plans are monitored by the Risk team and the Dexus Workplace Health, Safety and Environment (WHS&E) Committee. WHS risk management is also overseen by the Corporate Executive Committee, Group Management Committee, Board Risk Committee and the Board.

To reinforce a risk aware culture that prioritises health and safety, we have embedded WHS into the Group Scorecard through a safety audit score and we maintain a standing target of zero fatalities.

Information on the applicability of our WHS&L Statement and program at our properties is provided at pages 143-144 (customers, occupants, visitors) and page 156 (contractors).

Thriving People continued

Dexus Workplace Health, Safety & Environment Committee

The Dexus Workplace Health, Safety & Environment (WHS&E) Committee is open to all employees and functions to:

- Champion health, safety and environment initiatives in the workplace
- Ensure Dexus workers are represented in health and safety matters
- Facilitate co-operation in instigating, developing and carrying out measures to improve the health and safety of workers
- Assist in the ongoing development of safety standards, rules and procedures
- Consider and address findings from health and safety audits or monitoring reports

Ergonomics

An important component of our approach to ensuring a safe and healthy work environment is the provision of appropriate workstations and resolving any ergonomic issues that may arise. All employees complete an ergonomic self-assessment and develop an action plan (if required) with their manager. If an employee identifies an ergonomic hazard, it is to be reported to their manager who will report the issue to a WHS&E Committee representative, the Risk team or the People & Culture team.

A WHS&E team representative can provide assistance completing a risk assessment and/or provide guidance in the use of the Dexus Workstation Arrangement guide and implement associated controls. Where appropriate we will engage an ergonomist to assist in this process.

To support remote working, our employees seeking to work outside of a Dexus corporate office location must complete a Flexible Working Hazard checklist. The checklist ensures that employees engaging in flexible or remote work are in a safe and appropriate environment. In addition to incorporating WHS training and an ergonomic self-assessment, the checklist evaluates the proposed working environment for electrical, fire, trip hazards, and other potential concerns. All checklists must be reviewed and signed off by the employee's manager.

Employee Work Health & Safety Training

We ensure all our employees are provided with adequate information, instruction and training to perform their job safely.

All Dexus employees undertake the Dexus WHS&E induction upon commencement of employment. Our People and Culture team maintain a record of employee attendance and ensures that employees can access the Dexus Employee Handbook.

The WHS&E representatives, Risk team, and People and Culture team identify all additional WHS&E competencies for the organisation and assign training to employees as required. The People and Culture team assists our employees in maintaining a training plan that is documented in each employee's performance management process and reviewed twice per year. Additional WHS&E training responsibilities are assigned to employees with regard to:

- WHS&E competency requirements of existing policies and procedures
- WHS&E competency requirements of safe work practices
- Levels of risk associated with work roles
- Specific licensing requirements (if any)
- Any industry qualifications that may be required to carry out particular task

Thriving People evaluation framework

We use the principles of impact mapping to communicate how our sustainability approach activities lead to benefit for Dexus and our stakeholders. The outputs, outcomes and impacts in the impact map also serve as indicators for us to evaluate our performance and continuously enhance our approach. Several of the indicators are reported annually in our Annual Reporting Suite.

Thriving People impact map				
Activities →	Outputs →	Employee outcomes →	Employee benefit	Dexus benefit
Employee engagement and performance				
Employee listening strategy	Employee confidence in role purpose	Employees feel appropriately matched to their roles	Increased employee satisfaction (NPS)	Reduced employee turnover costs and associated morale challenges Enhanced employee productivity
Performance management and role clarity	Employee confidence in role goals/objectives	Enhanced employee satisfaction with their team and manager	Increased retention	
Recognition, reward and benefits	Employee performance reviews	Employee trust in management	Improved sense of fulfillment at work	
Activating the Dexus purpose	Employee satisfaction with enabling systems and processes	Employees feel they have a pathway to advance at Dexus		
	Participation in internal networking and events	Employees build connections, friendships, networks at work		
Learning and development				
Management training	Number of employees participating per training activity	Enhanced employee skills in time management, managing people	Increased employee satisfaction (NPS)	Reduced employee turnover costs and associated morale challenges Enhanced employee productivity Increased customer retention Increased competitive advantage through enhanced capabilities
Leadership training (including inclusive leadership)		Improved self-awareness of development opportunities	Increased retention	
Culture training		Enhanced capacity for influencing, negotiating, strategic problem solving	Improved sense of fulfillment at work	
Technical/customer training		Employee understanding of expected values and behaviours	Customer NPS	
		Enhanced understanding of customer needs	Team NPS	
Inclusion and diversity				
Policies and practices, including leave entitlements	More diversity in workforce	Enhanced employee sentiment regarding their own inclusion	Increased employee satisfaction (NPS)	Reduced employee turnover costs and associated morale challenges Enhanced employee productivity Reduced risk of compliance breaches
Flexible job design	Uptake of flexible working	Enhanced employee sentiment regarding inclusion at Dexus	Increased retention	
Supporting parents and carers	Use of parent/carer support offering	Enhanced employee awareness of inclusion and diversity issues	Improved sense of fulfillment at work	
Diversity networks, initiatives, events	Participation in diversity networks, initiatives and events		Customer NPS	
		Minimised discrimination and harassment	Team NPS	
Health and wellbeing				
Safe & Well program	Employee uptake of flu vaccines, skin checks, and other offers	Reduced incidents of flu, skin cancer	Increased employee satisfaction (NPS)	Reduced employee turnover costs and associated morale challenges Enhanced employee productivity Increased customer retention Increased competitive advantage through enhanced capabilities
	Employee access to fresh food	Increased employee consumption of fresh food	Reduced absenteeism	
	Crisis/stress management support	Improved employee physical fitness through sustained participation in fitness	Improved employee health and wellbeing metrics	
	Employee awareness of mental wellbeing tools	Enhanced employee confidence regarding mental health		
	Employee participation in fitness activities			

Future Enabled Customers and Strong Communities



Creating value through strong, enduring relationships with our customers, local communities and suppliers.

Dexus owns and manages a diverse Australian property portfolio including office, industrial, retail and healthcare properties, comprising more than 4,800 customers.

Our 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 supermarkets and department stores
- Media and entertainment cinema operators
- Small independent retailers, cafes and restaurants

Focus areas for our Future Enabled Customers approach include:

- **Customer workspace and professional services:** providing a seamless, efficient customer experience that maximises customer satisfaction with their workspace and with property management
- **Networking and customer connection:** facilitating connections within customer communities through networking events, exclusive offers from retailers, and charity activations
- **Occupant health, safety and wellbeing:** prioritising health and safety at our properties, engaging with customers about healthy and safe workplaces, and connecting customers with products and services that support their wellbeing
- **Customer environmental sustainability:** collaborating with customers to understand how we can assist them to meet their sustainability aspirations through resource efficiency, green leasing and workforce engagement

The boundary for our approach encompasses all customers within the Dexus group portfolio, with impacts felt across their businesses and their employees.



4.1 Future Enabled Customers management framework

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objectives of Future Enabled Customers and Strong Communities. Insight into the relevant management structure and policy framework is provided below.

Future Enabled Customers management framework		
Dexus Board (Board)		
Oversight and approval of targets and general strategies for customer experience		
Board ESG Committee		
Oversight of customer experience initiatives as part of the Dexus Sustainability Approach, including review of customer complaints		
Group Management Committee (GMC)		
Ultimate responsibility for alignment of customer experience and community contribution activities with Dexus's strategy		
Property Executive Committee		
Management committee with responsibility for overall guidance of effective property management		
Delivery functions		
Customer Project Delivery Group Office Development (including City Retail) Office and Industrial Property Management Sponsorship and Events Marketing Sustainability Risk Compliance Retail Operations and Development Building Technology		
Focus areas		
The Dexus experience customer strategy <ul style="list-style-type: none"> – Customer service – Customer engagement and satisfaction – Concierge service – Customer products and services – Property community portals – Customer amenities including end-of-trip facilities and wellness rooms – Customer Support Centre – Dexus Place, SuiteX – Health and wellbeing services 	Active property management <ul style="list-style-type: none"> – Green leasing – Health and wellbeing offering – Occupant health and safety – Property risk management – Property environmental ratings – Environmental management system – Continuous improvement targets – Flexible space – Community Management 	Building technology <ul style="list-style-type: none"> – Smart Building Blueprint – Connectivity – Portfolio standardisation – Procurement – Big Data – Predictive analytics – Building automation – Cyber security – Resilient buildings
Policies and commitments		
Work Health, Safety and Liability Statement Corporate Responsibility Complaints Policy Dexus Customer Promise		

Our approach to building technology

Dexus's approach to building technology seeks to digitally enable our buildings to maximise value for all stakeholders and establish Dexus as a leader in implementing proptech (property technology). Technology can maximise value through managing risk, reducing costs and increasing revenues. It can also enhance the health and wellbeing of customers as well as their overall experience with the building, while reducing energy consumption and impact on the environment. Meeting these objectives necessitates an approach that avoids gimmicks and directs investment into scalable solutions that can deliver value across our portfolio.

Dexus's Building Technology Team leads the delivery of our Building Technology Strategy and Smart Building Blueprint. Dexus's cross-functional Smart Building Collaboration Team combines internal expertise with contributions from external partners including consultants, suppliers, and industry groups to ensure a consistent, holistic approach to technology deployment across our assets.

Future Enabled Customers and Strong Communities continued

The motivation, value drivers, strategic outcomes, and priority enablers of our Building Technology Strategy are summarised in the table below.

Dexus Building Technology Strategy	
Vision: "Digitally enable our buildings to maximise value for all stakeholders"	
Motivation <ul style="list-style-type: none"> – Digitisation of products and services – Technology explosion and rate of change – New opportunities – Customer demand – Real estate transformation and disruption 	Value drivers
	Revenue <ul style="list-style-type: none"> – Customer experience and brand to attract and retain customers – Catalogue of customer proptech services – Fulfil increasing customer demands
	Cost <ul style="list-style-type: none"> – Fewer people required to run our buildings – Increased energy efficiency – Data driven maintenance and decisions – Remote and centralised operations
Priority enablers <ul style="list-style-type: none"> – Premium connectivity – Portfolio standardisation – Portfolio-scale procurement – Cyber security framework for buildings – Resilient buildings 	Risk <ul style="list-style-type: none"> – Support Dexus's environmental targets – Cyber risk (in buildings) reduced – Adaptable and resilient buildings

Dexus has deployed its Smart Building Blueprint at select sites across the portfolio and continues to refine the blueprint through research and stakeholder feedback. Some technologies delivered through the blueprint include:

- Premium in-building mobile phone connectivity
- Frictionless, touchless access management, cardless visitor management, digital concierge
- Occupancy sensors with real time people tracking

Building technology supports the delivery of the Dexus Sustainability Approach through enabling emissions reductions, healthy indoor environments, and building resilience. Some key areas where building technology overlaps with sustainability include:

- Building management system functionality analysis to identify low cost, high value opportunities for enhancing energy efficiency
- Technology audits to support life cycle analysis and upgrade forecasting
- Digital layering of buildings, mobility services, public realm, and infrastructure information to inform precinct-level design opportunities at the concept phase of development projects
- Facilitating healthy buildings through CO₂ removal and air treatment

- Real time occupancy counting to maintain occupant health and safety
- Touchless technologies
- Platforms for enabling peer-to-peer energy trading and the integration of embedded networks, battery storage and electric vehicles at the appropriate time

Our Customer Promise

Our aspiration is to build the world's best office platform, renowned for customer centricity and consistently outperforming industry benchmarks. Our Customer Promise drives the way in which we operate and contributes to our goal of being a workspace partner of choice.

We know that our customers are more likely to be satisfied when we listen to their concerns and address their needs. Our customer-centric approach is underpinned by our Customer Promise to:

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

We take an active leasing approach to drive portfolio performance and reduce forward lease expiry. Our 'simple and easy' lease is designed to simplify negotiations and adopts a common-sense approach centred on creating a partnership with our customers in the execution of the lease.

Our portfolio-wide approach to forward leasing provides flexibility to accommodate customers' needs within the group portfolio, enhancing customer retention and minimising downtime.

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

We have conducted annual customer surveys since 2013 to understand customer sentiment, drive improvements, and monitor the impact of initiatives. In addition, we invest in a Mystery Shopper program that looks at performance across key public areas to anonymously assess performance across:

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

Detailed insights are gathered which provide valuable, independent feedback to facilities management on the day-to-day experience our customers receive.

4.2 Customer workspace and professional services

Dexus's product and service offering aims to provide a seamless, efficient customer experience that maximises customer satisfaction with their workspace and with property management. We understand that when our customers are satisfied, they are more likely to renew their lease with us for longer periods and refer us to their peers.

Listening to our customers, we have curated a range of services that are carefully designed to satisfy the everyday needs and enhance the experience of the people who work in our properties. The services we provide are grouped into the four key pillars of Wellbeing, Convenience, Community and Sustainability.

- **Wellbeing:** Offering services and amenities that promote the health and wellbeing of customers through quality end-of-trip facilities, yoga, Pilates and fitness classes
- **Convenience:** Delivering a convenient work experience through five-star concierge, priority access to childcare, transport solutions, simple and easy leases, and access to Dexus Place, a tailored extension of our customers' work environment that includes meeting, training and conference facilities and bespoke event space supported by state-of-the-art technology
- **Community:** Creating customer communities through activations in our office foyers, on-site retailers and online property portals providing workplace news and information, events and retail offerings
- **Sustainability:** Working with our customers to achieve energy, water and waste efficiencies for their tenancies along with sustainable fit-out designs

Key activities include:

- **Customer Support Centre** – operational 24 hours a day, 7 days a week for customers to raise and track service requests, view and update account details, retrieve lease correspondence, and access itemised invoices and tenancy payments
- **Project Delivery Group** – Dexus's in-house service that offers customers project management and capital works delivery for office fit-outs
- **Security services** – security personnel to facilitate safe building operation, visitor management, and after-hours access

- **Concierge services** – five-star concierge service that provides on-site assistance to customers, occupants, and visitors
- **Mobility services** – car sharing and car parking solutions provided through GoGet and Divvy
- **Flexible space arrangements** – offerings such as Dexus Place (in most major Australian cities), which provides off-site workspaces and telepresence immersive conferencing experience, as well as SuiteX, which provides pre-fit spaces for short term leases that provide flexibility for evolving businesses
- **Speculative suites** – provides bespoke feel pre-fit spaces for small businesses who normally would not have access to premium office towers
- **National leasing team** – our leasing team works across Australia and takes a portfolio-wide approach to ensure that we can accommodate customers' needs in the group portfolio as they grow and change
- **Six Ideas by Dexus** – our strategic workplace and change management consulting service, helping customers to align their workplaces with organisational goals and strategy

Parenting support

Dexus recognises the need to ensure a seamless connection between navigating the tribulations of parenthood and work in order to help our customers thrive. We provide our customers access to services that help families create the work-life balance that works best for them:

- **Access to childcare** – by partnering with Guardian Early Learning Group, we can offer customers priority access to high-quality childcare across the network of Guardian Centres
- **Vacation care** – we have partnered with Skills and Thrills and Guardian to provide a fun and dynamic vacation care program for customers in Dexus buildings located in the Sydney and Brisbane CBDs

4.3 Networking and customer connection

Every Dexus office property is a community of individuals. As a landlord, we can support the customer experience by facilitating connections within property communities through networking events, exclusive offers from retailers, and charity activations. We know that when individuals feel connected to others and to their

workspace, that they look forward to coming into work and are more engaged, which has a positive impact on our customers' businesses.

We facilitate networking and community connection within many of our office buildings through:

- **Online building portal** – a platform to inform customers of important information and activations within the property, including events, activations, and safe initiatives
- **Events and activations** – a curated program of networking events, wellbeing activations, and holiday celebrations that create community cohesion and enhance customer experience
- **Retail offerings, partnerships and promotions** – exclusive offers that connect Dexus customers to each other, and provide them with the services and products that they need

4.4 Occupant health, safety and wellbeing

We seek to be a market leader when it comes to the safety of our properties, including the prevention of physical harm, stopping the spread of disease, and providing healthy workplace environments.

Maintaining safe buildings for customers, occupants and visitors

All Dexus-managed properties are covered by a safety management system that is certified against ISO 45001 to address work health, safety and liability property risks.

Hazards and risks are assessed through a range of mechanisms including regular inspections, third party audits, and ongoing communication with customers, facility managers, and other stakeholders. Base building inspections are required on a monthly basis for retail and office assets. For industrial assets, base building inspections are to be completed six monthly. Inspections cover general housekeeping, fire and emergency, first aid, electrical, hazardous chemicals, exhaust system maintenance, stairs steps and landing, amenities, building maintenance, lifts escalators and travelators, car park, loading docks, cooling towers, and aluminium composite panel operational mitigation strategies where applicable (utilising the combustible material checklist). Where hazards are found, corrective actions are established and logged in Dexus's risk management system (Periskope) to be tracked until resolution of hazard.

Future Enabled Customers and Strong Communities continued

Customer involvement is critical for ensuring a safe and productive workplace environment. Dexus engages with customers to identify, assess and mitigate workplace hazards/impacts, review risk processes, introduce or change monitoring procedures and propose changes to premises, work systems, plant or substances used.

The Dexus Work Health Safety & Liability Manual contains detailed instructions on hazard and incident reporting, including key steps to be taken by stakeholders for each type of hazard or incident. Certain incidents must be escalated to Dexus senior management and to the relevant regulator depending on the nature of the incident, as specified in the manual. Dexus senior management provides a quarterly report to the Board Risk Committee with an update on incidents and injuries at Dexus assets (including Dexus corporate workplaces).

Healthy buildings – indoor environmental quality

We believe we have an important role in enhancing the health and wellbeing of our customers by providing a healthy physical environment. We recognise industry trends towards healthy living and evidence-based research demonstrating the costs of ill-health to corporate productivity.

We have listened to our customers that have identified health and wellbeing as the highest importance to them and their business. Embracing wellness enables us to attract and retain high quality customers and maximise financial performance through high occupancy rates and the ability to set rents that take into account the delivery of products and services across our portfolio.

We have an Indoor Air Quality Working Group that oversees the following activities to ensure healthy indoor environments across the portfolio:

- Conducting air filter reviews and replacements/upgrades
- Reviewing procedures to ensure adequate fresh air ventilation, filtration of return air and acceptable thermal comfort
- Updating the air quality specifications in Dexus's Environmental Management Manual (which will help set expectations for future procedures and investment related to indoor air quality)
- Establishing alerting protocols to forewarn customers of ambient air quality conditions as well as specify mitigating actions for facility teams to follow

We actively manage property accessibility, indoor environment (internal temperature, humidity and air quality), acoustics, access to natural light, and overall performance to create comfortable indoor working environments that maximise health and productivity. Dexus has also expanded the use of NABERS Indoor Environment (NABERS IE) ratings across the portfolio, to help benchmark indoor environmental quality and inform continued enhancement of how we ensure healthy buildings across the portfolio. Dexus is targeting a 5 star average NABERS IE rating for its office portfolio by 2025. At select developments, we elect to obtain WELL Certification to further enhance a property's health and wellbeing performance.

Customer health and wellbeing

Our customers have access to a suite of health and wellbeing services, offerings and amenities within their properties and via online building portals. This offering makes it possible for customers of all sizes to offer their employees the same services that have often only been available for large organisations. This includes integrating fitness into office life by providing quality end-of-trip facilities, including bicycle storage and group fitness, yoga and Pilates classes.

We apply the following structure to our customer health and wellbeing offer:

Health and Wellbeing offering		
Goal: Healthy, enriched, productive customer communities		
Founding Pillars	Key areas of focus	Implementation pathways
<ul style="list-style-type: none"> – Global health trends – Property industry trends – Public health research – Customer feedback – Stakeholder consultation 	<ul style="list-style-type: none"> – Mind – Body – Nutrition – Community – Environment 	<ul style="list-style-type: none"> – Community engagement – Education and awareness – On-site initiatives – Industry partnerships – Amenities and design

Examples of services that customers can access through our health and wellbeing offering include:

- **Nutritionists** – through partnerships with trained nutritionists, we offer our customers exclusive discounts to healthy offerings
- **Wellness studios** – studios across several properties provide on-site yoga, Pilates and boot camp classes
- **Fitness classes (discounted)** – through collaborations with Urban flow wellness classes, Liveloo bike rental, and F45, our customers can access fitness opportunities with discounted prices
- **End-of-trip facilities** – facilities that make it easier for our customers to support the lifestyles they want by providing clean and hygienic changing, showering, and bathroom facilities on site
- **Workspace indoor environmental quality** – maintaining a healthy indoor environment to positively impact occupant health and wellbeing, and ultimately on customer productivity and satisfaction

4.5 Customer environmental sustainability

We actively manage the environmental performance of our properties and target continuous improvement to reduce energy consumption, water use, and carbon emissions, as well as provide optimal working environments. This assists our customers in meeting their own sustainability objectives and priorities by providing workplaces that are designed and operate to the highest sustainability standards. Customers directly benefit via reduced costs from resource consumption efficiencies and productivity improvements from healthier working environments.

We selectively rate new developments against the Green Building Council of Australia's (GBCA) Green Star Design & As Built rating tool and continue to present Green Star opportunities to all pre-lease construction opportunities.

Operational performance is benchmarked using NABERS Energy and Water ratings and Green Star Performance ratings. Specialist systems support the identification and rectification of issues in building mechanical systems to help maintain optimal property performance.

Resource efficiency and net zero emissions

As part of Dexus's target to achieve net zero emissions by 30 June 2022 and source 100% renewable energy by 2030, all Dexus-managed properties are on a trajectory to achieve a net zero position for base building services. We are also committed to working with customers to reduce the emissions from customer-controlled spaces by 25% by 2030.

To sustain continuous improvements in energy and water efficiency across the group property portfolio, we use smart meters to validate utility bills, identify consumption and report anomalies.

Energy and water sub-metering has been installed in key office properties to deliver incremental efficiencies.

We engage with customers on sustainability upgrades in properties and how they can achieve efficiencies in their tenancies. We collaborate with customers to improve their sustainability performance and awareness through initiatives such as City Switch, a national tenant energy efficiency program. We are both a signatory and a landlord within the program.

We aim to drive improvements in customers' energy efficiency through green building committees and other programs. These programs include involvement in the annual Earth Hour campaign and the NABERS Energy and Water ratings.

We undertake initiatives to receive regular, open feedback from our customers. Customer feedback helps to determine the important sustainability issues that keep property performance on the right track.

Reducing fit-out waste

We provide fit-out guides that encourage the use of sustainable products and whole-life costings, which enable customers to understand how reuse and recycling can positively impact costs and carbon emissions. More information on our approach to reducing fit-out waste is provided on page 162.

Green leasing

We play a leading role in developing the Better Building Partnership (BBP) and were instrumental in designing and communicating its green leasing standard and Gold Lease badge which defines a best practice approach for property owners and occupants to collaborate on sustainability initiatives, encourages information sharing and cooperation and removes barriers to implementing mutually agreed improvements over time.

The green leasing standard is a world-first, aimed at helping property owners and occupants to benchmark their agreements against others and save on power and water bills. Dexus's simple and easy lease is Gold Lease rated under the BBP leasing standard, which is the highest level available. This enables an active partnership between Dexus and our customers and seeks to deliver better environmental outcomes and reduce outgoings.

Future Enabled Customers and Strong Communities continued

4.6 Future Enabled Customers evaluation framework

Dexus uses the below impact map to communicate and evaluate the expected outcomes and impacts of its Future Enabled Customer activities.

Future Enabled Customers impact map				
Activities →	Outputs →	Customer outcomes →	Customer benefit	Dexus benefit
Customer workspace and professional services				
Customer Support Centre Project Delivery Group Security services Concierge services Mobility services Six Ideas Dexus Place Speculative suites National leasing team Parenting support	Improved customer and customer workforce access to products/services Reduced customer business downtime Facilitated customer expansions to new space/markets Improvements to customer workspace Improved navigation for guests and visitor experience	Customer satisfaction with workspace, overall property, and property management Reduced customer operating costs	Increased customer likelihood to renew Enhanced customer capabilities, productivity Strengthened customer capabilities and workforce engagement, enhancing customer productivity	Increased customer renewals Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams Expand reach of Dexus platform to non-customers
Networking and customer connection				
Online building portal Events and activations On-site retail offerings, partnerships and promotions	Improved customer and customer workforce access to products/services Customer participation in events, activations, portal Increased exposure for retailer customers	Customer satisfaction with property Enhanced networks among customers and their workforces Enhanced customer workforce engagement, talent attraction and retention	Increased customer likelihood to renew Enhanced customer capabilities, productivity Strengthened customer capabilities and workforce engagement, enhancing customer productivity	Increased customer renewals Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams
Health, safety and wellbeing				
Health and wellbeing offering End-of-trip facilities Workspace indoor environmental quality Maintaining building safety	Improved customer and customer workforce access to products/services Customer workforce awareness of wellbeing information Increased customer workforce active transport, participation in health and wellbeing activities Customers have high quality indoor environments	Customer satisfaction with workspace, overall property, and property management Enhanced networks among customers and their workforces Enhanced customer workforce engagement, talent attraction and retention Enhanced occupant health and wellbeing	Increased customer likelihood to renew Enhanced customer capabilities and workforce engagement, productivity Strengthened customer capabilities and workforce engagement, enhancing customer productivity	Increased customer renewals Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams Expand reach of Dexus platform to non-customers Sustain Premium grade office buildings
Customer environmental sustainability				
Resource efficiency Reducing fit-out waste Green leasing	Reduced emissions from customer workspace Customer workspace uses less energy Customer workspace uses less water Customers have less total waste, send less to landfill Uptake of green leases	Reduced customer operating cost Enhanced customer workforce engagement, talent attraction and retention Facilitate customers' own environmental objectives	Increased customer likelihood to renew Strengthened customer capabilities and workforce engagement, enhancing customer productivity	Increased property occupancy (reduced vacancy), WALE, building valuations Non-rent revenue streams Expand reach of Dexus platform to non-customers NABERS and Green Star Performance ratings

4.7 Strong Communities

We also interact with the broader community where we operate. Our most material community-related issues are:

- **Health, safety and security:** we have a duty of care to ensure our properties are safe and deliver healthy environments. We promote health and wellbeing through community programs and activities and in the design of spaces
- **Economic impact on local communities:** we are a major stakeholder in the communities where we operate, and contribute to local communities via corporate giving, community collaborations and partnerships, providing local employment opportunities both through our developments and through our customers' occupation of our properties, and through delivering community infrastructure including creating spaces where the community can interact

The boundary for our approach encompasses initiatives and activations with our two major community partners, Planet Ark and the Black Dog Institute, as well as charitable activities for not-for-profit organisations and the communities in which we operate.

Strong Communities management framework

Several areas of our business, under the leadership of the Board and Group Management Committee, collaborate to deliver our objective of Strong Communities. The table below provides insight into the relevant management structure and policy framework.

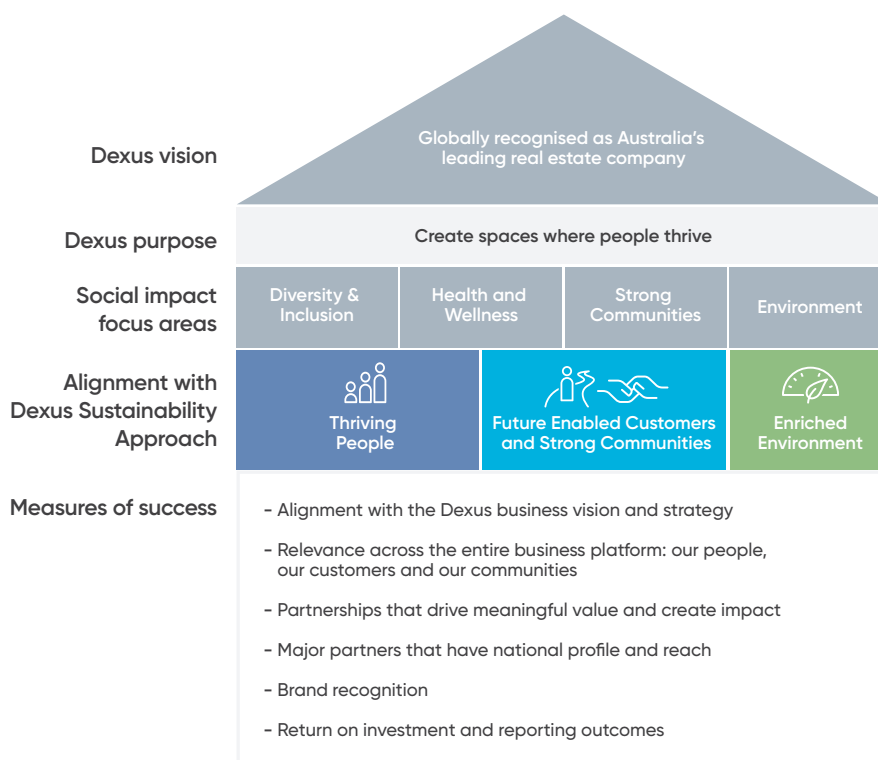
Customers and community management framework		
Dexus Board (Board)		
Oversight and approval of targets and general strategies for customer experience and community contribution		
Board ESG Committee		
Oversight of the implementation and management of sustainability/ESG practices and initiatives throughout Dexus		
Group Management Committee (GMC)		
Ultimate responsibility for alignment of customer experience and community contribution activities with Dexus's strategy		
Corporate Executive Committee		
Management committee overseeing the integration of social impact initiatives into the Dexus Sustainability Approach		
Social Impact Working Group (SIWG)		
Internal working group implementing Dexus's social impact strategy, including management of the major community partnerships		
Delivery functions		
Office and Industrial Property Management Retail Operations and Development Sponsorship and Events Marketing Sustainability		
Focus areas		
Corporate philanthropy	Activations and partnerships	Employee volunteering
<ul style="list-style-type: none"> – Charitable giving – Event sponsorships – Disaster relief – Dollar matching of employee donations 	<ul style="list-style-type: none"> – Gifting the use of Dexus assets for charitable causes – Partnering with local authorities – Community activations 	<ul style="list-style-type: none"> – Employee volunteering – Volunteering leave – Team volunteering – Connecting employees with causes of interest
Policy framework		
Social Impact Strategic Framework Dexus Community Guidelines		

Local community contribution and engagement across our property portfolio ensures we can support the prosperity, cohesion and wellbeing of the communities in which we operate. Each year we set, review and update corporate commitments within our responsible investment framework following input from our stakeholders. Refer to our annual performance reporting for details on commitments and progress against community priorities.

This section describes local community contribution and engagement across our property portfolio. Dexus also consults with the community on new developments and refurbishments to address community concerns, and to incorporate features that benefit our customers and the broader community. Refer to page 129 for more information on local community engagement at development sites.

Future Enabled Customers and Strong Communities continued

Social Impact Strategic Framework



Dexus's capacity to create value is influenced by the strength of its relationships with the communities in which it operates. During FY21, the Social Impact Working Group (SIWG) developed and implemented Dexus's Social Impact Strategic Framework.

The Framework aligns with Dexus's Sustainability Approach and is designed to streamline community activities and maximise the value created for Dexus and its surrounding communities. As part of the Framework, Dexus has a tiered partnership model, detailing how charity contributions and activities will be approached, covering:

- Sponsorship
- In kind contribution
- Workplace giving
- Employee volunteering, participation and donations
- Mentoring and networking
- Brand recognition

Community partnerships that drive sustained value

Under the tiered partnership model, Dexus welcomed two new major community partners into the fold, being The Black Dog Institute and Planet Ark.

These partnerships will complement Dexus's Sustainability Approach and strengthen its social impact as an organisation, delivering positive outcomes for Dexus's people, its customers and its surrounding communities.

Dexus will be working with these partners in the following areas:

- The Black Dog Institute:** Is the only research institution in Australia dedicated to mental health and suicide prevention with a national focus across all age demographics with a key focus on:
- Evolving the mental health awareness and education of our people in line with our Safe & Well program
 - Engaging with the communities in which we operate through targeted and meaningful activations across our retail, industrial and office spaces

- Aligning the extensive research of the Black Dog Institute to our Sustainability Approach and utilising it to support our people and customers across various initiatives
- Creating opportunities for our people to contribute through volunteering initiatives

Planet Ark: Is one of Australia's leading environmental behaviour change organisations, with a focus on working collaboratively and positively with communities, the government and businesses with a key focus on:

- Educating our people and customers on environmental sustainability topics, including resource reduction and recycling
- Empowering our people and customers to make positive environmental changes
- Improving Dexus buildings' environmental footprint

Corporate philanthropy

We aim to align our philanthropic activities with the interests of our people, our customers and the communities in which we operate. This ensures a targeted approach that helps to affirm Dexs's social impact and engages our workforce in delivering our purpose.

We will look to further leverage our corporate philanthropy through our new community partnerships with Planet Ark and The Black Dog Institute. We also support causes that are important to our people, by matching the value of donations made by employees in their personal capacity to select causes. Recent dollar matching initiatives have supported the Leukemia Foundation and The Sydney Children's Hospital.

Employee guidelines for supporting community organisations

We encourage our people to participate in activities that help to support the community – this can be done during work hours or during their own personal time. We have established guidelines for how our people can fundraise or volunteer for community organisations and make a positive social impact.

Any community activity being undertaken by an employee where they are representing Dexs or involving our suppliers, customers or the broader team should align with the Dexs Sustainability Approach across the areas of:

- Health and Wellness
- Strong Communities
- Diversity and Inclusion
- Environment

If an employee wishes to participate in an activity that involves fundraising or volunteering for a community organisation or initiative, they can consult with the SIWG to ensure that their charitable activity aligns with the Social Impact Strategic Framework.

Employee volunteering

We provide our people with one day of paid volunteering leave per year, to enable them to contribute their time to a charity of their choice. We also encourage teams to volunteer together to both support community causes and build team cohesion. Examples of team volunteering activities have included bush care, preparing meals for families at shelters, and assisting with larger fundraising events.

Activations and partnerships

A key component of Dexs's community contribution comes from the use of our assets for community causes. Dexs-managed retail centres act as community hubs, and leverage relationships within their local catchments to deliver fundraising events that support local causes.

Key areas of contribution include:

- **Use of Dexs retail space or office lobby space** (at no charge) by community organisations seeking to fundraise or enhance awareness of their cause
- **Activating public spaces** creating vibrant spaces and experiences, using placemaking to bring the community together
- **Working with local authorities and the community** to proactively maintain safe precincts, retail centre management works with at-risk youth through local youth groups and schools to promote safer communities
- **Connections with other local organisations** such as local councils, chambers of commerce and industry groups on community issues

Evaluating outcomes and benefits

Dexs regularly reviews its community engagement strategy and maintains regular contact with its community partners. We use the following key performance indicators to measure the outputs and impacts of our community engagement program.

Community contribution objective	Outputs	Impacts
Corporate giving philanthropy	<ul style="list-style-type: none"> – Financial value of cash donations to charitable organisations and community partners 	<ul style="list-style-type: none"> – Direct support for community issues – Enhanced reputation within the communities in which we operate
Activations and partnerships	<ul style="list-style-type: none"> – Financial value of space provided for use by charitable organisations and community partners – Financial value of use of awareness-raising tools such as online portals and lift screens for our community partners 	<ul style="list-style-type: none"> – Enhanced connections between our customers and local communities – Support for community issues by providing access to customers – Partnerships that drive meaningful value and create impact
Employee volunteering	<ul style="list-style-type: none"> – Total community volunteering hours and percentage participation of all Dexs employees 	<ul style="list-style-type: none"> – Enhanced employee engagement and wellbeing – Enhanced connections between our employees and community organisations and partners

Future Enabled Customers and Strong Communities continued

Supply chain

Dexus partners with suppliers to achieve operational efficiencies, enhance customer amenity and positive environmental outcomes. We develop long-term partnerships that address sustainability impacts and create shared value. We recognise the central role that suppliers play in optimising asset performance, managing risk and delivering customer amenity.

Material issues and other focus areas that relate to our supply chain include:

- **Human rights:** Sourcing products and services from suppliers that uphold human rights and acceptable labour standards by rejecting child and forced labour and offering acceptable conditions and wages for workers. We are committed to sustainable procurement, indigenous rights, equal opportunity and complying with all applicable legislation and are prepared to sign on to Dexus's Supplier Code of Conduct

- **Anti-competitive behaviour:** Ensuring that business dealings promote a competitive marketplace and are free of activities such as collusion, bribery, corruption, price-fixing and standover tactics
- **Local suppliers:** Working with suppliers to support local businesses and communities and provide quality service delivery. We choose from a mix of local and national suppliers using service delivery as the primary criteria. We seek to engage with local suppliers to reduce transportation costs, provide reliable solutions for critical services and to support the communities where we operate
- **Sustainable partnerships:** Creating partnerships that go beyond simple client-supplier relationships to establish deep understanding of each other's business drivers and create long-lasting opportunities.

The boundary for these issues encompasses all Tier 1 suppliers across our group property portfolio with social impacts felt across Dexus, our suppliers, their employees and upstream suppliers, as well as environment impacts.

Supply chain composition

Dexus's supply chain encompasses a diverse range of products and services which are grouped into procurement categories. Dexus defines a critical supplier as one whose services are required daily for the normal operation of a building. Critical suppliers are retained on a centralised Preferred Supplier List. Dexus applies a high-level assessment of inherent supply chain sustainability risk for each spend category.

Dexus classifies the Inherent Sustainability Risk of the particular industry/cost category as follows:

- **High** – the uncontrolled risk(s) created from the type of work, the volume of work and/or the type of industry, create a significant risk in the normal operation of Dexus's business
- **Medium** – the uncontrolled risk(s) created from the type of work, the volume of work and/or the type of industry, create a risk the operation of Dexus's business during significant disruptions
- **Low** – the uncontrolled risk(s) created from the type of work, the volume of work and/or the type of industry, create minimal risk to the operation of Dexus's business

Dexus's main procurement categories

Procurement category	Risk classification	Inherent sustainability risk		
		Environmental	Social	Economic
Building operations				
Cleaning and waste management	High	✓	✓	✓
Facility managers	Medium		✓	✓
Energy	Medium/high	✓		✓
Water	Low/medium	✓		
Security	High		✓	✓
Electrical, mechanical, hydraulic	Medium	✓	✓	✓
Lifts	Medium		✓	✓
Capital works	High	✓	✓	✓
Fire protection	Medium		✓	
Statutory fees and non-controllable expenses	Low			✓
Landscaping	High	✓	✓	
Developments				
Developers and builders	High	✓	✓	✓
Façade materials	High	✓	✓	✓
Building materials locally sourced	Low		✓	
Building materials internationally sourced	High	✓	✓	
Corporate				
IT	High	✓		✓
Events and conferences	Low		✓	
Merchandise and promotions	Medium/high	✓	✓	

Supply chain management framework

We adopt a long-term approach to managing and maintaining supplier relationships through a robust set of business procedures which guide supplier screening, selection and engagement. A suite of policies, principles and performance standards underpin our supply chain approach. The table below outlines our governance structure and approach to supply chain management.

Supply chain management framework	
Dexus Board (Board)	
Responsibility for approving and overseeing compliance with supply chain policies and statutory disclosures	
Board Risk Committee	
Responsibility for reviewing and overseeing incorporation of suppliers into Dexus risk and compliance frameworks	
Board ESG Committee	
Oversight of Dexus's approach to managing modern slavery risk in its supply chain	
Group Management Committee (GMC)	
Oversight of Dexus's procurement framework and coordinating its application across the group	
Property Executive Committee	Corporate Executive Committee
Responsibility for oversight of property-level projects and work health and safety issues, including where projects and issues involve suppliers	Management committee overseeing the management of modern slavery risk and other ESG considerations in Dexus's supply chain
	Anti-Modern Slavery Working Group
	Cross-functional management committee with responsibility for coordinating activities to address modern slavery risk and incidents in Dexus's supply chain
Governance, Sustainability, Risk and Compliance teams	Dexus/CBRE Facilities management teams
<ul style="list-style-type: none"> – Oversight of anti-modern slavery policies and procedures – Providing training to Dexus people about modern slavery – Monitoring compliance – Investigating whistleblower matters and other grievances – Assisting with the assessment of modern slavery risk 	<ul style="list-style-type: none"> – Operational procurement – Supplier due diligence – Supplier contractual monitoring – Awareness training for high risk industry workers – Supplier assessment and engagement on modern slavery – Supplier spend analysis and overall risk assessments
Policies	
Supplier Code of Conduct Sustainable Procurement Tendering Human Rights Environment Work Health Safety & Liability Fraud, Corruption and Bribery (Prevention and Awareness) Conflicts of Interest Development & Construction Dexus Operating Limits Embargo	
Implementation practices	
Procurement	Supplier monitoring
<ul style="list-style-type: none"> – Business procedures for procurement – Category standards, minimum requirements and weightings – Risk and opportunity assessment – Supplier engagement and new supplier engagement process – Pre-qualification process – Tendering process – Preferred supplier panel – Modern slavery risk ranking, performance 	<ul style="list-style-type: none"> – Rapid Induct contractor management system – In-house property risk management system – Project Control Group meetings and reports – Spend analysis – Supplier self-assessments – Contractor spot checks and corrective action plans – Evaluation against contract KPIs and SLAs – Annual attestations from suppliers confirming compliance with Dexus's Supplier Code of Conduct – Tier 2 supplier identification

Future Enabled Customers and Strong Communities continued

Our Sustainable Procurement Framework helps minimise potential impacts from our upstream supply chain. Sustainable procurement is built into all supplier engagements through requiring supplier compliance with the policies listed in the table above. Refer to our website at www.dexus.com for publicly available policies.

An internal Embargo Policy outlines our approach to managing contractors and service providers that do not meet our performance standards. It identifies the circumstances in which a contractor or service provider will be placed on the embargo list. Should we determine to place a supplier on the embargo list, we will not engage with that contractor or service provider until the issues of concern have been appropriately addressed. The embargo list is updated on an ongoing basis.

In addition to this policy suppliers providing services to Dexus managed properties who do not endorse Dexus's Supplier Code of Conduct via an annual attestation are prevented from undertaking new work with the business.

As a signatory to the United Nations Global Compact and the United Nations-supported Principles of Responsible Investment (PRI), we manage our supply chain to account for human rights, environmental, social and economic factors in its purchasing decisions.

Supply chain objectives

We aspire to and dedicate focus towards using our aggregate spend to positively influence our suppliers, contractors, products, services and workers. We take a long-term view to partner with our suppliers to achieve quality service by:

- Fostering a 'no harm' safe workplace with zero fatalities target, and establishing robust safety compliance systems
- Monitoring performance through regular engagement, reporting against contract key performance indicators and supported by regular contractor spot checks for service providers at each Dexus managed property
- Engaging with suppliers through self-assessments to gain a comprehensive insight into their relationship with us through
- 360-degree feedback, how they manage their own sustainability risks and those for their most significant suppliers

In addition, we seek to collaborate with suppliers to address human rights and modern slavery risks across our supply chain, through enhanced due diligence, risk profiling and supported by assessments.

We rationalise suppliers where possible by identifying partners that can best meet our needs and optimise their engagement across our portfolio. This leads to fewer suppliers and closer relationships with our business and a greater alignment of interest. It also presents a greater opportunity to embed our sustainability approach with suppliers.

General supply chain management priorities

Our corporate supply chain goals are to:

- Maintain an efficient procurement process operating under sound governance that achieves the best value for money, meets business requirements and delivers financial and sustainability outcomes based on a whole-of-life costing
- Identify key risks and opportunities particularly in high value, high impact contracts and improve the overall impacts of the products and services we procure
- Mandate that suppliers abide by all minimum standards and laws in the countries in which they operate
- Maintain safe workplaces in line with our goal for 'no harm', safe work environments with zero fatalities
- Treat suppliers and contractors fairly, with respect and dignity demonstrating probity, equity and transparency
- Continue to develop and manage relationships with suppliers and contractors to encourage them to promote a best practice approach to employment practices, social outcomes and the environment
- Challenge suppliers to deliver tangible, innovative and sustainable solutions that deliver mutually beneficial outcomes
- Continue to assess each contract's merits against a set of sustainability principles and ensure environmental and social impacts are assessed in line with our policies and objectives, emerging best practice and industry standards
- Ensure prospective and new suppliers understand sustainability-related contract criteria and requirements
- Mandate that all suppliers acknowledge and abide by the Dexus Supplier Code of Conduct
- Maintain sustainable procurement capability by engaging and upskilling employees and implementing sustainable procurement training for procurement and contract managers
- Collaborate with suppliers and seek feedback as part of contract management

- Where appropriate, increase the purchase of products that support community based charities, are carbon neutral or have a lower carbon footprint, are more efficient or meet internationally recognised sustainability performance standards
- Where appropriate, partner or encourage supplier participation in community engagement and with our philanthropic activities

Understanding supply chain sustainability risk exposure

We conduct a periodic group-wide supply chain sustainability risk assessment to identify and categorise the supply chain risks relevant to our geographical operations and the types of products and services it procures.

The assessment involves the following staged process to assess the most relevant supply chain issues.

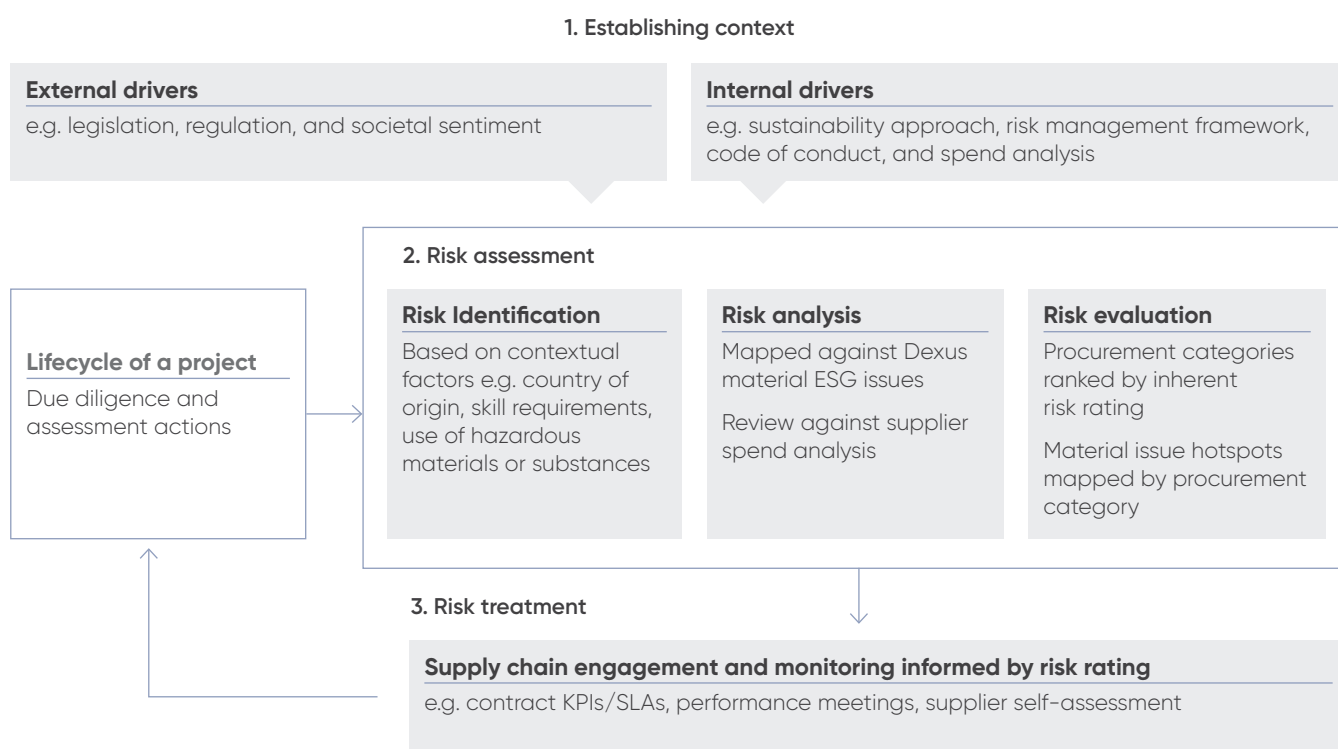
1. Contextual ESG factors are reviewed against emerging trends and issues. These are mapped against our procurement categories to identify the inherent ESG risks that may apply to Dexus
2. Supplier categories with significant inherent risk are analysed against our material ESG issues to assess each in terms of their relevant inherent risk
3. Inherent risk hotspots are evaluated and ranked within a matrix according to their level of inherent risk

The outcome of the risk assessment is a risk matrix of sustainability risk exposures across each of our major supply chain categories. The matrix informs procurement processes and sustainability ambitions, including specification of requirements, and questions during tendering and the screening of suppliers.

In addition, the matrix is referenced for establishing contract key performance indicators (KPIs) and the adoption of best practice sustainability management and monitoring over the lifecycle of the project.

We conduct an annual supplier spend analysis to prioritise a list of suppliers based on the category-level assessment. Together, the supplier spend analysis and supplier category risk assessment direct ongoing engagement with suppliers through due diligence and verification activities (monitoring and engagement).

Supply chain risk management process



Managing supply chain across the lifecycle of a project

Our staged procurement and contract management process optimises performance and supplier service levels, manages risk, maintains symbiotic supplier relationships and realise shared value. The overall risk rating for the procurement category and spend details the extent to which due diligence and supplier monitoring is undertaken. The table below details key aspects of this process with reference to supplier engagement over a project lifecycle.

Project stage	Due diligence actions	Assessment outcomes
0. Supply chain sustainability risk assessment and spend analysis		<ul style="list-style-type: none"> Periodic risk assessment conducted in accordance with our Risk Management Framework to evaluate our procurement categories against external contextual factors Procurement categories are ranked by inherent risks material to Dexus to inform procurement and supply chain monitoring activities
1. Project is proposed	<ul style="list-style-type: none"> Project owners follow procurement procedures to develop and present a project business case to decision makers Project assigned risk level in accordance with Tendering and Operating Limits Policies Articulate project sustainability goals 	<ul style="list-style-type: none"> Internal Audit of Operating Limits policy
2. Project is approved	<ul style="list-style-type: none"> Project owners: a) procure services directly within agreed limits and preferred panel, or b) work with our procurement team to procure major services via formal tender 	<ul style="list-style-type: none"> Internal Audit of Operating Limits policy
3. Quotes obtained or formal tender is issued	<ul style="list-style-type: none"> Business units work with our procurement team to issue project brief to service providers Service providers may be prequalified and selected on our preferred supplier panel Sustainability prequalification criteria specified 	<ul style="list-style-type: none"> Internal Audit of Operating Limits policy

Future Enabled Customers and Strong Communities continued

Project stage	Due diligence actions	Assessment outcomes
4. Service provider is selected	<ul style="list-style-type: none"> – Sustainability track record, as well as risks and opportunities are evaluated during a rigorous and structured screening and ranking of suppliers, using a balanced scorecard – We conduct financial due diligence to establish that a company is viable and can perform the tasks required – Assessing a company's capability to perform by reviewing its track record, and seeking feedback from references 	
5. Service provided is appointed	<ul style="list-style-type: none"> – We review proposed services to confirm fair value upfront and avoid later uplift – Service providers contractually agree to the Dexus Sustainable Procurement policy and Supplier Code of Conduct 	
6. Service is undertaken		<ul style="list-style-type: none"> – Contractor management systems track on-site contractor activity and ensure contractors maintain licences and insurances – Project Control Group holds regular meetings between Dexus and suppliers and receive progress reports
7. Service is monitored	<ul style="list-style-type: none"> – Our procurement team monitors supplier performance through site feedback, regular performance meetings and tracking against project KPIs 	<ul style="list-style-type: none"> – We conduct site-level contractor spot checks to evaluate performance and develop corrective action plans where required – Evaluation against contract KPIs and SLAs – Suppliers periodically complete a self-assessment to provide us with insights into their business-related sustainability issues and gather feedback on its performance as a partner
8. Project completion	<ul style="list-style-type: none"> – We evaluate the effectiveness and value for money as part of retaining service providers – We conduct a supplier spend analysis to maintain a current view of critical suppliers and commodities 	<ul style="list-style-type: none"> – Suppliers periodically complete a self-assessment to provide us with insights into their business-related sustainability issues and gather feedback on its performance as a partner

Tender documentation and service agreements integrate sustainability policies and key performance indicators. Dexus communicates its expectations and ESG requirements to all suppliers and requires each one to operate in line with our Supplier Code of Conduct as well as understand Dexus's procurement requirements and commitments outlined in its Sustainable Procurement Policy and Human Rights Policy.

With each supplier engagement Dexus seeks to ensure that investment considerations:

- Address impact on supply chains and comply with Dexus's Supplier Code of Conduct including materials, contractors, consultants and other professional services

- Are in line with recognised and accepted local labour and employment practices where that investment results in employment or engagement of suppliers, contractors and professional service providers

Specific standards regarding ESG are agreed with contractors based on the prepared design brief. All work carried out must comply with the brief.

We prioritise supplier engagements based on the commodity/ service involved, the size of the contract, supplier values and its criticality to business continuity.

A supplier assessment process takes into account labour practices, social, environmental and human rights issues. Suppliers are encouraged to work with us to reduce carbon emissions, adopt sound environmental principles, manage their people ethically, drive positive supplier relationships and consider the impacts of their activities on the communities in which they operate.

Ongoing data collection and performance analysis provides a benchmark for site teams that oversee supplier services. This provides valuable insights on how performance trends vary over time and across sites. This data is used as an input into initial reviews of supplier contracts and periodic reviews of our panel of preferred suppliers.

Addressing modern slavery risk in our supply chain

We are aware of the following modern slavery risk factors across our supply chain:

- Use of low-skilled, contract, and/or migrant labour
- Subcontracting and use of third-party labour hire agencies
- A highly competitive and cost driven business sector
- Procurement of specific materials (the production of which may involve modern slavery)
- Supplier operations in countries with weak or opaque commitments to human rights

Based on this understanding of modern slavery risk factors, our supply chain sustainability risk assessment suggested the following categories as focus areas: cleaning and waste management services, security services, capital works at operational assets, development works, IT, corporate merchandise, and procurement of materials sourced from overseas.

Relevant contractual documentation contains modern slavery requirements and we have enhanced the consideration of modern slavery risk factors during the supplier selection process. We also deliver awareness campaigns to educate suppliers and their workforces about modern slavery and how to report concerns, through integration of modern slavery information into site induction terminals and signage in key locations across assets in our portfolio.

We conduct due diligence on suppliers both before and during our engagement with them, to understand human rights risk exposure and any potential breaches. As part of the Property Council of Australia Modern Slavery Roundtable, we collaborated with industry peers through to develop a common supplier due diligence platform questionnaire.

We are using the responses to identify higher risk suppliers with whom we should engage to ensure modern slavery risks are appropriately identified and managed.

We have established procedures to enable individuals within our supply chain to identify and escalate concerns. The Dexus Whistleblower policy specifies grievance mechanisms available to stakeholders to safely and anonymously raise concerns about modern slavery in our operations and supply chain. The Whistleblower Policy includes reference to modern slavery and specifies that its coverage includes the workforces of Dexus suppliers, as well as their spouses and dependents. We included this material to make it clear to individuals in our supply chain that Dexus wants to hear from them if they have concerns, and that they will be covered under the protections specified in the policy.

When a concern is raised, or we otherwise become aware that an individual in our supply chain may be impacted by modern slavery, we investigate the matter further and take appropriate action. The appropriate action would depend on whether Dexus has caused the impact, contributed to the impact, or is linked to the impact through our business relationships. In all cases, the focus is on mitigating the risk to the individual(s) experiencing the impact and using our leverage to foster continuous improvement.

More information on our approach to addressing modern slavery risk in our supply chain is provided in Dexus's annual Modern Slavery Statement, as well as the Sustainability Performance Pack (pages 50–51).

Procurement procedures

Our procurement procedures outline the buying process for the Dexus operational divisions, and by authorised third party property managers. The procedures accompany the Dexus Operating Limits, Conflicts of Interest and Tendering policies. The procedures ensure that:

- Service providers are engaged based on merit
- Conflicts of interest are appropriately identified and managed
- Our interests are legally protected (including the avoidance of fraudulent transactions)
- Our insurances are not compromised

An important step in this process is engaging with suppliers during tender evaluation to determine their alignment with Dexus's to evaluate the effectiveness of Dexus's sustainability aspirations and ongoing alignment after engagement.

Tender process

Our tender process ensures that service providers are chosen based on merit and capacity to deliver works, acceptance of Dexus's Terms and Conditions and Supplier Code of Conduct and alignment with Dexus's sustainability aspirations. The number of organisations invited to tender varies taking into account a project's size, complexity and procurement guidelines. We are committed to a transparent and competitive tendering process. The process is subject to detailed monitoring and oversight. Major tenders involve a prequalification process and assessment by a panel against agreed financial and non-financial metrics.

A Project Control Group (PCG) is established for high value projects. The PCG includes appropriately qualified representatives from Dexus, co-owners and senior representatives of the core service providers and contractors or consultants, for example builders, architect, project manager or leasing agents.

Future Enabled Customers and Strong Communities continued

Employee responsibilities and training

Our employees receive periodic training on procurement best practices as well as property-related products, services and requirements. This provides them with the required skills and industry knowledge to appropriately select and appoint service providers.

All employees with responsibility for selecting, appointing and monitoring service providers must ensure performance and compliance with contractual agreements via standard contract templates.

Supplier monitoring and relationship management

We monitor the performance of major contracts through:

- Regular performance review meetings with site teams that assess performance against KPIs
- A Non Conformance Reporting (NCR) process
- Customer surveys covering the Net Promoter Score (NPS) from the end users' perspective on the services being delivered
- Select contractor worker surveys
- A requirement for annual attestation of compliance with the Dexus Supplier Code of Conduct
- Management of insurances, licences and induction training via the Contractor Management system (Rapid)
- Annual contractor surveys of the preferred suppliers that invite 360 degree feedback
- Performance metrics embedded in the contract
- High-level performance reviews that occur at least half yearly and incorporate formal feedback from internal stakeholders
- Site and corporate team feedback, which is discussed with suppliers to directly manage exceptions against performance expectations

Service agreements set out the level and frequency of monitoring. Suppliers must perform an appropriate level of monitoring, which may include a combination of physical monitoring of activities and performance reports.

Contractor health and safety

Dexus recognises its duty of care to manage any work health and safety risks across its managed property portfolio, including activities of its suppliers or contractors. Dexus's Work Health, Safety and Liability (WHS&L) Statement outlines how we manage risks at our properties. It states the group's commitment to maintaining safe properties, working with stakeholders to manage hazards, risks and continuous monitoring. Dexus implements a safety management system that is certified against ISO 45001 to address WHS&L risks across the portfolio. Dexus uses a third-party tool across all Dexus managed properties to monitor contractor WHS management systems and manage compliance of contractors regarding insurance, WHS and inductions.

Contractor employees are required to identify the appropriate Safe Work Method Statement (SWMS) and permits prior to commencing works on-site in the Contractor Management system (Rapid). Safety alerts are delivered directly to the contractor employees when they sign in.

The Dexus Work Health Safety & Liability manual sets out a consistent approach for contractor management across our portfolio. We focus on contractor health and safety at our sites through:

- Delivering Dexus Contractor Induction and site-specific inductions that confirm contractor qualifications and make them aware of site-specific risks and procedures before work commences
- Ensuring contractors are using the contractor management system and that they have supplied current documentation (e.g. contractors' licences, insurance certificates, Safe Work Method Statements, WHS Plans)
- Confirming that contractors correctly use the risk assessments and permits relevant to their activities
- Consulting with contractors on WHS activities through 'tool-box talks' or using the Health & Safety meeting agenda available in Dexus's safety management system
- Reviewing contractor health and safety performance through conducting regular contractor spot checks, which are to be conducted monthly for Building Management personnel

Supporting a climate resilient supply chain

As detailed in Dexus's Towards Climate Resilience report, we have identified several opportunities to enhance the management of climate-related issues in our supply chain, including:

- Completing supplier risk management assessments that focus on supplier capacity to manage climate-related issues, and engage with suppliers where required to enhance their awareness and understanding
- Further integrating climate-related issues management into supplier engagement agreements as appropriate
- Preferencing low or net zero carbon products, and collaborating with suppliers to increase disclosure through reporting and Environmental Product Declarations
- Assessing our supply chain for risks and opportunities associated with the transition to a low carbon economy
- Understanding areas of our supply chain that may be exposed to international trade disruptions

Grievance mechanism

Feedback from or about a contractor that becomes a formal grievance is addressed through Dexus's Complaints Policy.

Contractor employees also have access to Dexus's whistleblower service, Your-Call, to enable contractor employees to report grievances using a secure, anonymous and confidential mechanism.

Evaluation and process improvement

Our procurement process is subject to ongoing, risk-based auditing and monitoring via the Risk team and Compliance team. Potential breaches of procedures are investigated and may result in disciplinary action if substantiated.

Objective	Output	Impact
Supply chain management and sustainable procurement		
Maintain value aligned partnerships	<ul style="list-style-type: none"> – Number of critical suppliers – Supplier relationship satisfaction score (0 to 10) – Supplier net promoter score (-100 to +100) – Value for money 	<ul style="list-style-type: none"> – Stronger supplier relationships – Maintained service continuity – Minimise costs associated with service disruptions
Effective service delivery	<ul style="list-style-type: none"> – Customer satisfaction survey – Feedback from customers and/or facility managers – Supplier conformance and legal compliance (fines, penalties and breach notices) – Achievement of contract KPIs and SLAs 	<ul style="list-style-type: none"> – Customer satisfaction – Increased likelihood to renew leading to sustained revenue generation – Reduced compliance costs
Human rights		
Readiness for Modern Slavery legislation	<ul style="list-style-type: none"> – Supplier Code of Conduct in contracts affirmed by the contractor on an annual basis – Spot checks – Identification of high risk industry participants – Targeted audits of suppliers in the high risk industry grouping – Contractor KPIs related to human rights due diligence – Supplier coverage of modern slavery due diligence questionnaire – Number of grievances – Incidents of non-conformance 	<ul style="list-style-type: none"> – Reduced compliance costs associated with human rights – Enhanced reputation through minimal human rights impacts at Dexus
Fair Working Conditions	<ul style="list-style-type: none"> – Incidents of non-conformance – Corrective action plans 	
Health and safety		
Maintain a safety culture	<ul style="list-style-type: none"> – Contractor compliance with on-site WHS systems – WHS metrics (e.g. lost time injury frequency rate, medical treatment injury frequency rate, fatalities) – Incidents of non-conformance – Managed sign in, SWMS and permit process – Contractor spot checks – Safety Alerts 	<ul style="list-style-type: none"> – Enhanced worker health and wellbeing – Reduced incidence of injury – Reduced compliance costs associated with WHS – Enhanced reputation through minimal WHS impacts at Dexus sites – Reduced insurance costs

Enriched Environment



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

We recognise we have a duty of care to our stakeholders: investors, customers, employees, agents and the wider community, to sustain and protect the environment during the management of our property portfolio.

We understand the increasing environmental and social challenges caused by climate-related impacts to the environment and their effects on our communities, and we recognise our role to limit those long-term effects of human-induced climate change in line with the goals of the Paris Climate Agreement.

We seek to enhance property portfolio environmental resilience by minimising our greenhouse gas emissions impact, adapting for change through environmentally friendly technologies, and influencing across our value chain. Dexus is committed to transitioning to a low carbon future through the group's target to achieve net zero greenhouse gas emissions by 30 June 2022.

The group adopts a holistic, precautionary approach to environmental challenges – from the boardroom to the plant room – to reduce operating costs, enhance property values and improve customer appeal, resulting in enhanced long-term returns for investors together with lower environmental risks.

Adopting a sustainable approach to property operations contributes to the following outcomes:

- Enhanced income through higher rental premiums for sustainable buildings
- Reduced operations and maintenance costs
- Improved customer comfort and amenity
- Enhanced business reputation
- Improved employee productivity and wellbeing



Our material environmental issues include:

- **Energy consumption:** Optimising energy usage positively impacts the environment while reducing operating costs and exposures to volatility in energy prices. High performing buildings attract customers and increase occupancy and customer retention. This reduces financial risk, maximises the return on investment and gives customers an environmentally conscious space to occupy
- **Water consumption:** Improving water efficiency, on-site water recycling and rainwater harvesting preserves a precious natural resource and reduces utility costs which leads to reductions in outgoings and maintenance costs. These outcomes reduce operational financial risks, improve reputation, help to attract and retain customers and maintain each property's market competitiveness

- **Waste management:** Minimising waste and increasing recycling through effective waste handling reduces raw material use and avoids environmental and health related hazards associated with sending waste to landfill
- **Biodiversity:** Ecosystems and their species perform important biological services. Protecting and enhancing biodiversity provides places for native flora and fauna to reside. Biodiversity contributes to protecting areas from soil erosion and floods, reducing climate change risks, recycling nutrients to boost farming productivity, capturing and retaining water, assisting with controlling pollution as well as providing aesthetic value

- **Climate action:** Assessing climate change risks, reducing greenhouse gas emissions and implementing adaptation measures reduces operational and financial risks and assists in maintaining a property's long-term resilience and competitiveness

The boundary for these issues encompasses all properties within the Dexu group portfolio, with impacts felt across occupants and visitors, as well as local communities and habitats.

5.1 Management practices

Key actions contributing to Enriched Environment priorities are listed below.

Priority	Actions
Being an innovative, leading environmental performer	<ul style="list-style-type: none"> – Set environmental performance targets for all investments – Maximise energy and water performance of properties rated under NABERS – Outperform industry benchmarks for GHG emissions, waste, indoor environmental quality, transport and social performance – Comply with applicable legislation
Optimising building environmental performance and resilience	<ul style="list-style-type: none"> – Identify opportunities to enhance both environmental and social performance – Prepare strategic improvement plans for properties that quantify the ratings enhancement, energy saved and the required investment
Being a sustainable developer	<ul style="list-style-type: none"> – Incorporate sustainable design within new developments, leveraging best practices tools such as the Green Star rating system – Establish minimum energy performance benchmarks through NABERS commitment agreements
Being a low carbon energy producer	<ul style="list-style-type: none"> – Collaborate with industrial customers to incorporate on-site solar electricity generation for new industrial developments – Reduce emissions by evaluating and pursuing opportunities to incorporate renewables across existing industrial and retail properties
Creating customer environmental partnerships	<ul style="list-style-type: none"> – Collaborate with customers to improve environmental performance of Dexu properties and its tenancies through green lease clauses, customer and fit-out guidelines, and support
Taking strong climate action	<ul style="list-style-type: none"> – Act with purpose and speed to reduce operational carbon emissions to zero – Assess the physical and transition impacts of climate change and address appropriate mitigation and adaptation actions – Assess biodiversity risks and opportunities to create a net positive benefit

Enriched Environment continued

5.2 Environmental impacts management framework

We have established the following business goals to minimise the overall environmental impact of our operations and guide the development of environmental sustainability practices and initiatives:

- Achieve high environmental performance standards across Dexus's group property portfolio
- Develop properties that are sustainable and minimise resource consumption and environmental impacts
- Increase stakeholder awareness of the benefits of investing in sustainability and improved building performance
- Effectively manage environmental risks for community health and wellbeing and to preserve the environment

Several areas of our business, under the leadership of the Dexus Board and Group Management Committee, collaborate to deliver these goals. The table below provides insight into the relevant management structure and policy framework. Several policies are publicly available at www.dexus.com.

Environmental impacts management framework			
Dexus Board (Board)			
Oversight of the integration of environmental considerations into Dexus’s strategy, risk management and statutory reporting			
Board ESG Committee			
Oversight of the implementation of environmental initiatives to maintain Dexus’s position as a leader in sustainability			
Group Management Committee (GMC)			
Oversight of the integration of environmental initiatives into Dexus group strategy			
Corporate Executive Committee			
Coordination of portfolio environmental initiatives, linking business operations and corporate governance			
Property Executive Committee	Dexus/CBRE Strategic Management Committee	Retail Operations team	
Executive-level committee overseeing property performance, development and customer objectives, including integration of environmental sustainability into asset operations	Partnership committee across CBRE-managed properties providing oversight on delivery, performance team engagement and innovation	Team managing property and facility management operations across Dexus-managed retail centres	
Enriched Environment delivery			
Risk team	Sustainability team	Office, Industrial and Retail teams	Developments and Capital Works team
Responsibilities include:	Responsibilities include:	Responsibilities include:	Responsibilities include:
– Risk management framework	– Resource efficiency	– Building operations	– New developments
– Environmental management system (ISO 14001 certified)	– Employee engagement	– Asset planning	– Major refurbishments
– Assisting with the management of climate change risk	– Sustainable procurement	– Customer engagement and green leasing	– Customer fit outs
– Hazardous materials management	– Industry engagement		
– Supporting the identification, assessment and management of environmental risks	– Continuous improvement targets		
	– Carbon neutrality		
	– Oversight of building environmental ratings		
Policies and systems			
Environmental Statement Biodiversity Work Health Safety & Liability Environmental Management System			

Environment Policy

Dexus's Environment Policy outlines its commitment to minimising the overall environmental impact of its operations. The policy covers the group's environmental commitments and details the management system that Dexus implements across the property portfolio, including:

- Managing and monitoring potential risks and opportunities of climate change
- Identifying and implementing compliance requirements
- Educating, training and communicating to stakeholders about environmental impacts and commitments
- Actively developing and promoting initiatives to improve environmental performance
- Providing transparent monitoring and reporting of environmental performance

Dexus's commitments and targets

In line with a precautionary approach to environmental challenges, each year we set, review and update corporate commitments within our responsible investment framework and sustainability approach, which are focused toward minimising the overall environmental impact of our operations, in the development, management and refurbishment of properties.

Refer to page 53 for further disclosure of annual commitments and progress against key priorities.

Resource efficiency

We target continuous improvements in energy and water efficiency, and emissions reduction across the group property portfolio. We use smart meters to validate utility bills, identify consumption and report anomalies. Energy and water submetering has been installed in key office properties to deliver incremental efficiencies.

We develop Strategic Improvement Plans (SIPs) to maximise operational performance and reduce resource consumption. Our SIPs cover four elements:

- Strategic building reviews
- Resource consumption performance
- Energy and water operational improvements
- Plant and equipment upgrades

Assessing these elements provides a comprehensive view of building performance. This enables us to plan and implement optimum plant and equipment upgrades to maximise energy efficiency and customer comfort.

We implement viable projects identified in the SIPs in conjunction with overall asset planning. Examples of energy efficiency initiatives include:

- Chiller replacements
- Use of energy efficient boilers
- Improvement of air tightness and building isolation/insulation
- Upgrades to building management and control systems (BMCS)
- Mechanical works and retro commissioning
- Installation of sub-meters and energy management systems
- Lighting upgrades
- 'Virtual engineer' building analytics

We embed sustainability practices within industrial estate master planning for new developments and through targeted technology and controls upgrades. Master planning initiatives reduce water and energy including the use of solar hot water, rainwater for irrigation and toilets use and native landscaping.

We participate in the NSW Energy Savings Scheme and generate Energy Savings Certificates (ESCs) based on demonstration of electricity reductions due to energy efficiency projects. These certificates can be sold at a future date to realise extra funds for use in further building works.

We benchmark energy efficiency performance against the leading industry benchmarks, NABERS and Green Star. NABERS provides resource consumption profiles for each property and helps to identify improvements. NABERS Energy and Water ratings are regularly undertaken across the group's office and retail portfolios.

Water use

Nearly all water consumed across Dexus's portfolio is potable water purchased from local water utilities. Reported water consumption comprises local utility water, plus on-site water treatment to recycle water at 1 Bligh Street, Sydney, 123 Albert Street, Brisbane and 145 Ann Street, Brisbane, in which greywater is collected from the building's showers and hand basins and recycled in a treatment plant for reuse in within the building and for irrigation.

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

Natural rainfall variability in Australia is large, with general water availability fluctuating according to wetter periods and drought conditions. With the onset of climate change, parts of Australia have experienced worsening droughts in recent times. We recognise we can have a positive impact by minimising water use across our portfolio and preserving available water sources for the general population. More efficient usage of water also delivers cost savings for us and our customers.

- Our SIP program also focuses on water management. Examples of initiatives that we have deployed include:
- Optimising or upgrading cooling towers
- Leak detection programs
- Use of water efficient appliances including fitting water efficient cisterns and fixtures in bathrooms to enhance water efficiency, and treating wastewater through central blackwater and greywater treatment plants, reducing potable water consumption via the provision of clean recycled water for the washroom flushing system
- On-site rainwater harvesting and recycled water is used in toilet facilities to irrigate gardens and decorative plantings

Although some areas of inland Australia experience long periods of water stress, the cities where Dexus operates are not in water stress at the time of publication of this document. Given the variability of rainfall in Australia, there are times when urban water authorities restrict water usage by Dexus and the general population. We comply with all water restrictions and engage with our customers to ensure they understand and can reduce their water use as required.

All water from Dexus properties is discharged as sewage to water utilities and is never discharged directly to the natural environment. We ensure that our discharged water meets minimum requirements set out by local water utilities, including any requirements related to applicable trade wastewater permits. Stormwater is harvested for use on site or discharged via stormwater drainage.

Enriched Environment continued

Waste management

Waste generated by Dexu activities include:

- Construction and demolition waste from development projects
- Operational waste from the operation of buildings and associated with property usage by customers
- Fit-out waste generated when de-fitting tenancies
- Wastewater (described on page 161)

Construction waste

Dexu-owned construction sites are wholly managed by third-party contractors. Dexu does not have operational control of these sites and thus does not report on construction waste.

At most sites, we require contractors to adopt principles of the relevant Green Star Design & As Built rating tool, which includes requirements for diversion of construction waste from landfill.

Environmental Management Plans at construction sites generally include Waste Management Plans that specify recycling targets for demolition and construction waste (e.g. minimum of 90% construction waste to be diverted from landfill).

Operational waste

We contribute to and have adopted the BBP best practice guidelines for operational and strip-out waste management.

We implement waste management plans for each property. Comprehensive recycling streams are standardised and implemented as part of cleaning and waste services. We also look at other recycling opportunities on a property-by-property basis, for example recycling of materials removed from the site when it is under development; recycling of demolition material and providing reusable materials during demolition to local community groups.

We collaborate with customers and waste contractors to introduce recycling systems within their tenancies and offer ad hoc services such as electronic waste collection based on customer needs.

Contractors also educate customers on recycling practices to maximise the amount of waste that can be diverted from landfill.

We report waste tonnage and recycling/diversion rates for office and retail properties in line with best practice guidelines.

We include environmental sustainability criteria in tender evaluation processes for the provision of waste services to standardise waste management and recycling practices across the portfolio. We utilise weight-scales where feasible to directly measure waste and recycling performance, and conduct bin profiling to assess contamination rates and identify opportunities. These enable us to capture relevant data on waste management and recycling.

De-fit (strip out) waste

Dexu supports and implements the Better Buildings Partnership strip-out Waste Guidelines and for each tenancy de-fit project we target a resource recovery rate of 80%.

We achieve this through a structured approach including developing inventories, structured removal and sorting practices, and establishing downstream materials receivers.

We actively identify charities and markets for furniture re-use to increase waste diversion from landfill.

Hazardous waste

Any hazardous waste produced by Dexu or at Dexu assets is managed in accordance with the Dexu Environmental Management System (page 163). Dexu does not transport solid or liquid hazardous waste (as defined as hazardous under the Basel Convention Annex) from one location to another for treatment.

Biodiversity

Biodiversity risk exposure is reviewed during the due diligence process for new acquisitions and within periodic valuations. Given the location of our developments primarily in urban and brownfield sites, there is limited exposure to biodiversity risks and opportunities for biodiversity enhancement. Risk exposure typically extends to our industrial portfolio where sites may be greenfield or may be situated close to waterways.

Our Biodiversity Policy focuses on protecting and enhancing biodiversity in and around our properties. We aspire to have a net positive impact on biodiversity and have applied an approach to avoid, minimise, restore and offset adverse biodiversity impacts within its properties. This includes making buildings and their surrounds a place for native flora and fauna to reside, and a place for people to enjoy.

Biodiversity is addressed in conjunction with the Green Building Council of Australia's Green Star rating tools, to determine if spaces can be created or improved in developments and building upgrades.

For properties in operation, we work to incorporate biodiversity considerations within landscaping and grounds keeping activities. We do not engage in mining, exploration activities, operate manufacturing sites, or conduct activities that lead to the extinction of International Union of Conservation of Nature (IUCN) listed endangered species.

We recognise that our suppliers can also impact on biodiversity. As outlined in our Supplier Code of Conduct, we seek to source products or solutions that enhance, protect and retain native biodiversity and collaborate with service providers on influencing their supply chain to assist us to achieve our biodiversity objectives.

Environmental risk management and hazardous materials

We conduct a comprehensive risk audit program to identify, evaluate and mitigate the following risks:

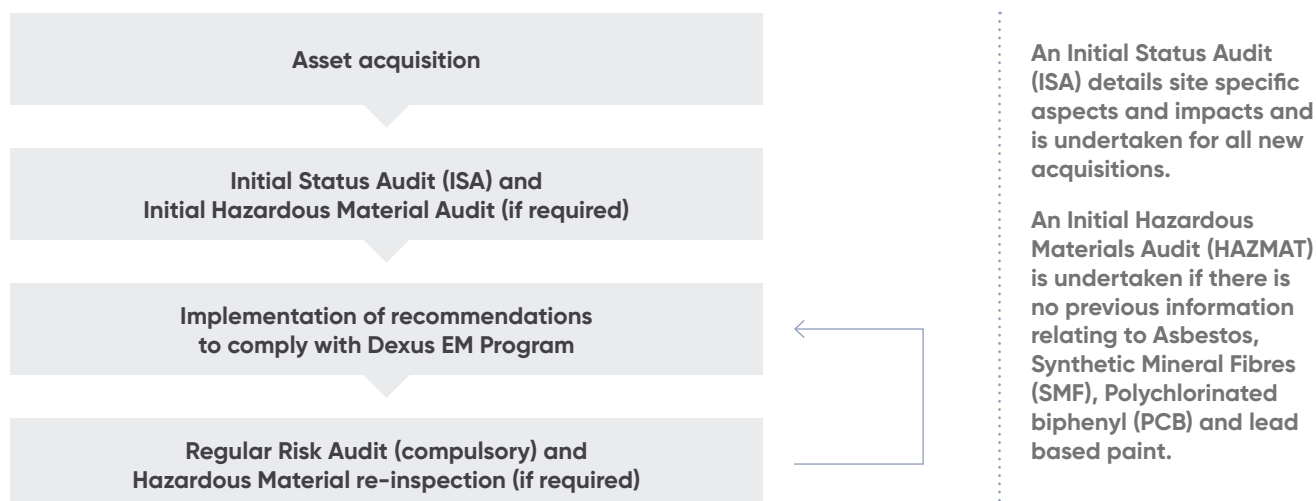
- **Personal health and safety audits:** compliance/spot audits, work health and safety risk profile, certification of safety system to international standard ISO 45001, Principal Contractor audit, incident investigations
- **Building safety:** confined space risk assessment, plant risk assessment, façade audits
- **Environmental:** hazardous materials review, initial site audit, site re-inspections, certification of environmental management system to international standard ISO 14001
- **Security:** security risk assessment, external security review
- **Insurance risk:** underwriting assessment

We track the audit program via a proprietary online property risk management and auditing tool that enables systematic and rigorous property risk profiling. This provides a single point of access for tools and data and improves the disclosure of due diligence data.

Environmental management system

We maintain an environmental management system which is certified against international standard ISO 14001:2015. This system and accompanying manual forms an integral part of the Dexus Environmental Management (EM) Program. The EM program has been designed to identify, assess and manage environmental risks across our portfolio, specifically properties under management, developments and transactions, and to promote continual improvement.

The Environmental Management program involves the following environmental management approach:



Environmental aspects considered within the day-to-day activities at our managed properties include:

- **Storage of environmentally hazardous materials** – Environmentally hazardous materials can have a significant environmental impact if released to the environment
- **Waste generation** – Management of solid and liquid waste materials requires safe handling and disposal
- **Stormwater discharge** – Release of contaminants to stormwater may result in the degradation of stormwater quality, with potential subsequent impact on surface waterways
- **Trade waste and wastewater discharge** – Discharge of wastewater to sewer requires a Trade Waste agreement. Release of unlicensed discharges to sewer may lead to prosecution
- **Emissions to atmosphere** – Emissions to atmosphere (such as the discharge from cooling towers and kitchen exhausts, etc.) are managed to meet regulatory standards. We also recognise emissions of ozone depleting substances and refrigerants from air conditioning and refrigeration
- **Noise emissions** – Noise and vibration may cause a nuisance to neighbouring properties or customers and give rise to complaints and subsequent prosecution under environmental legislation
- **Site contamination** – Site contamination can result from loss of materials to soil and groundwater (leakage from underground storage tanks is a common source of soil and groundwater contamination)
- **Climate change** – The manifestations of climate change include higher temperatures, altered rainfall patterns, and more frequent or intense extreme events such as heatwaves, drought, and storms
- **Energy management** – Energy management activities aim to reduce energy consumption including electricity, natural gas and diesel to minimise the overall environmental impact of operations.

Enriched Environment continued

5.3 Climate action

Climate change presents a range of risks and opportunities to Dexus's portfolio and business strategy. These issues are described in detail in Dexus's report Towards Climate Resilience, and comprise:

- Transition issues associated with the transition to a low carbon economy (shifts to renewable energy, customer and market preferences for low emission properties, reputational considerations)
- Physical issues associated with climatic changes (increasing frequency and severity of extreme weather, and longer-term climate considerations such as sea level rise and higher maximum temperatures)

The risk to Dexus from the adverse effects of climate change are varied and new information continues to emerge regarding the scale, likelihood and areas that could be impacted. In addition to understanding the physical risks to properties and populations, Dexus, its customers and local communities are also faced with transitional risks including socio-economic effects, resource availability, and health and wellbeing.

Climate governance

Dexus recognises its fiduciary duty for ensuring effective governance and risk management procedures are implemented to integrate climate risks and opportunities across the group's operations. Dexus's corporate governance framework supports a culture that understands the importance of sustainability and ensures that climate-related issues are addressed appropriately at board and management levels.

The table below summarises the governance framework applied to addressing climate-related impacts across Dexus group.

Dexus Board		
Ultimate oversight of Dexus's strategy, including the appetite for climate-related risks and opportunities and approach to managing climate-related issues across its property portfolio and funds management activities		
Board ESG Committee	Board Risk Committee	
Oversight of implementation of the Dexus Sustainability Approach, including its approach to addressing climate-related issues, and delivery of the group's environmental and sustainability initiatives and commitments, including performance, challenges and opportunities	Reviews management action to address risk tolerances exceeding measures set out in the Dexus Risk Appetite Statement, including those relating to climate change	
Group Management Committee		
Leads and monitors the delivery of carbon reduction and climate resilience activities across the group		
Corporate Executive Committee		
Responsible for overseeing the implementation of Dexus's climate resilience strategy, policies and practices as well as overseeing portfolio risk initiatives and linking these to business operations and corporate governance		
Climate Resilience Working Group		
Cross functional group coordinating climate-related issue management across their respective teams, evaluating performance of initiatives and maintaining a current view of climate-related risks and opportunities		
Sustainability team	Risk team	Property Executive Committee and Dexus/CBRE Strategic Management Committee
Oversees day-to-day carbon reduction and climate resilience activities across the group, including regular review of climate-related risks and opportunities through scenario analysis	Oversees the group's Risk Management Framework which includes Dexus's risk appetite for risk appetite for climate change (and monitoring of relevant tolerances) and the inclusion of climate as a key risk; and are responsible for Dexus's Environmental Management System that is certified to ISO 14001:2015	Operational accountability for managing climate-related issues, with support from the Sustainability and Risk teams

The Board ESG Committee works closely with the Board Risk Committee on climate-related issues because of the inclusion of climate change in Dexu's Risk Appetite Statement and on Dexu's key risk register. Climate-related issues are considered as one of several risks and opportunities that guide decision making in line with Dexu's Risk Management Framework and overall strategy. The Corporate Executive Committee is tasked with ensuring effective management of risks that have the potential to impact Dexu's strategy and outlook. As climate change is a key strategic risk to Dexu with potential impacts over the medium to long term, it is actively reviewed and managed within Dexu's Risk Management Framework.

Climate-related issues are incorporated into the group's operations through integration of the Dexu Sustainability Approach into the group's strategy and through the consideration of climate change as a key risk, which has resulted in the development of control measures and detailed discussion of climate risk at leadership and board levels.

Climate change is a material issue for Dexu, and the Board ESG Committee is informed of climate-related risks and opportunities on a regular basis, along with planned and implemented actions to manage these issues. The Board ESG Committee meets quarterly to review and approve relevant corporate and compliance policies as well as review reports on ESG performance and climate-related risks, including active projects, achievements and performance metrics.

The Climate Resilience Working Group collaboratively coordinates climate risk management initiatives across the group, meeting periodically to evaluate performance and maintain a current view of climate-related risks and opportunities.

This working group has cross-functional representation from Strategy, Research, Sustainability, Risk, Governance, Investor Relations, Government Relations, Development, Asset Management and Technology teams.

Climate change has been incorporated into relevant group policies and procedures to provide guidance to employees and inform all stakeholders of Dexu's commitment to managing climate-related issues. This includes Dexu's Environment Policy and Environmental Management System (certified to ISO 14001:2015), which apply across the group to properties under management as well as developments and transactions.

Climate scenario analysis

We use scenario analysis to help us understand and prepare for the impacts of climate change on our assets, markets and economies. This involves use of climate warming forecasts and modelling of plausible future events to build scenarios from which we can envisage the effects of climate change on our physical environment as well as the impacts on our future financial prosperity.

We test our physical resilience and ability to adapt by applying 'high impact' warming scenarios and we model events linked to rapid decarbonisation scenarios to highlight transition risks and opportunities.

Enriched Environment continued

Scenario (source)	How the scenario has informed Dexus's approach
Representative Concentration Pathway (RCP) 8.5 (Intergovernmental Panel on Climate Change)	Used to assess property physical risk exposure and identify likely high impact climate-related outcomes, including the magnitude and specific locations where they are likely to occur. The outcomes inform Dexus's acquisition strategy and physical property risk management activities.
Science Based Targets initiative sectoral decarbonisation trajectory using IEA 2°C scenario (International Energy Agency)	Used to inform energy use and price modelling out to 2030, with comparison against sector decarbonisation required to align with a 2°C warming trajectory, to support the development of Dexus's target to achieve net zero emissions by 30 June 2022.
RCP 1.9, RCP 2.6, RCP 6.0 (Intergovernmental Panel on Climate Change)	Used to define plausible trajectories of global warming within the scenarios developed for Towards Climate Resilience.
Shared Socioeconomic Pathways (Intergovernmental Panel on Climate Change)	Used to define plausible future pathways for global socioeconomic development such as population, economic growth, education, urbanisation and technological development. SSPs are combined with RCPs in the scenarios developed for Towards Climate Resilience, to define plausible combinations of socioeconomic development and global warming trajectories.
Inevitable Policy Response, Forecast Policy Scenario (Principles for Responsible Investment)	Incorporated into the "Delay and disruption" scenario within Towards Climate Resilience, to test the business's strategy against a forceful policy response to climate change in the near term.
Various scenarios for future climate impacts and policy pathways (e.g. CSIRO, Australian Bureau of Meteorology, Australian Energy Market Operator)	Incorporated into the scenario analysis contained within Towards Climate Resilience. The assumptions and references underpinning the Towards Climate Resilience scenarios are available in the Dexus Climate Scenario Analysis Supplement, available at www.dexus.com/sustainability-reporting-library .

As a result of the climate scenario analysis, we developed three company-specific climate scenarios to inform our climate resilience strategy. These are described in detail in our Towards Climate Resilience report:

The **"Dedication and delivery" scenario**: limits global warming to below 2°C by 2100 and represents an orderly transition to a low-carbon economy based on the prioritisation of sustainable development and global collaboration. This is the dawn of the renewable energy internet, facilitated by decentralised energy grids, supportive policy and a strong carbon price. The sharing economy becomes mainstream, to drive waste reduction and resource efficiency.

The **"Delay and disruption" scenario**: represents a disorderly transition to a low-carbon economy based on abrupt policy shifts that occur after years of delay. Business-as-usual continues in the early 2020s, until the growing momentum for climate action leads to a forceful but disorderly set of policy responses before 2030 for which financial markets are underprepared.

The **"Division and deterioration" scenario**: means global warming may exceed 3°C by 2100 and this scenario represents a failure to decarbonise. The mounting climate impacts lead to protectionism and a breakdown in international cooperation that stymies climate action. Governments deprioritise the low-carbon transition while stakeholders continue to mount pressure on business to fill the gap.

There are socio-economic disruptions associated with extreme weather and longer-term climate shifts, threats to global supply chains from extreme weather events and breakdowns in international free trade agreements as well as mass migration which contributes to notable demographic changes and political challenges.

Climate resilience strategy

Dexus's climate change resilience strategy involves:

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

Dexus seeks to build the capacity of individuals, communities and systems in and around Dexus properties to adapt and grow with consideration to chronic stresses and acute shocks that may result from the effects of climate change. The table below summarises Dexus's climate change resilience strategy, described in detail in its Towards Climate Resilience report published in June 2020 (www.dexus.com/towards-climate-resilience).

Dexus climate resilience strategy		
Reducing our impact	Adapting to climate change	Influencing our value chain
Mitigating our contribution to climate change <ul style="list-style-type: none"> – Net zero emissions by 2022: through energy efficiency and renewable energy and minimal offsets – Climate resilient building technology: preparing our portfolio for a low carbon future – Climate resilient developments: integrating life-cycle thinking and net zero emissions targets into the design and development of city-defining properties and precincts 	Adaptations to enhance resilience <ul style="list-style-type: none"> – Climate resilient operations: addressing physical and transition risks at the property level – Climate resilient transactions: considering climate-related issues in transaction due diligence – Climate resilient research: tracking environmental, social, economic and political factors that could influence our resilience 	Lifting industry practice and unlocking opportunities <ul style="list-style-type: none"> – Engaging with customers to adopt a whole building approach – Adopt a life-cycle approach and net zero emissions targets in new developments (NABERS and Green Star commitments) – Procuring for a low carbon supply chain

Our climate resilience strategy responds to a range of climate-related issues that have been identified through our scenario analysis and risk management processes over the years, as described below. Our view of material climate-related issues is updated regularly based on research, evaluation of our climate resilience actions, and additional scenario analyses.

Dexus's material climate-related issues across time horizons		
Short term (0 – 2 years)	Medium term (2 – 7 years)	Long term (7 – 15 years)
<ul style="list-style-type: none"> – Day-to-day acute physical risks to properties from climate-related events – Energy price volatility – Integrate climate-related considerations into financial and operational planning and annual budgets – Requirement to integrate climate-related issues and scenario analyses into transactions due diligence and development design processes – Increasing costs of conventional waste management – Health and safety impacts at our assets – Growing customer and investor demand for sustainable products – Existing and emerging technology that can improve the efficiency of building operations 	<ul style="list-style-type: none"> – Rise of peer-to-peer energy trading across decentralised energy networks – Introduction of carbon pricing schemes or changes to regulations – Increased demand for electric vehicles – Market demands for of circular economy waste management – Potential policy shocks following increasing severity of physical climate impacts – Demands to reduce embodied carbon across development and capital works projects – Change in investor expectations and divestment away from business that do not articulate a clear strategy for addressing climate change risks 	<ul style="list-style-type: none"> – Stranded asset risk (e.g. uninsurability, ability to lease/sell, capital market risk, excessive costs of adaptation/remediation) – Sea level rise and other chronic physical risks (such as rising mean temperature, heat stress and water stress) – Changes to social and demographic makeup of cities because of migration – Ability of supply chain to effectively address climate-related impacts – Requirements to support communities impacted by climate change – Activation of climate tipping points create fundamental changes to operating environments

Enriched Environment continued

Climate risk management

Climate change is listed on the Dexu key risk register, which has resulted in the development of control measures and the detailed discussion of climate risk at board and management levels. The Board of Directors is ultimately responsible for risk management, including climate risk. The Board Risk Committee is responsible for reviewing the Group's enterprise-wide risk management framework, which is aligned to the principles of ISO 31000:2018.

Addressing physical risk

Since 2011, Dexu has undertaken portfolio-wide climate change risk assessments to understand the exposure of its portfolio to physical risks such as increasing frequency and severity of extreme weather, as well as longer-term shifts in climatic conditions.

The most recent physical risk assessments incorporated medium and long-term greenhouse gas emission scenarios (RCP 4.5 and RCP 8.5) from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change, as well as climate projections from the CSIRO and the NSW Office of Environment and Heritage.

The RCP 8.5 scenario was chosen to identify high-impact climate-related outcomes, including the magnitude and specific locations where hazards are most likely to occur. A geospatial analysis was conducted to map our properties against their relevant climate zones and link to the scenario outcomes. Risk exposure was rated for each property using our two-dimensional risk rating matrix, which assesses likelihood and consequence for each type of physical risk.

We also reviewed property-specific scenario data including flood maps, and likely frequency and intensity of bushfires and storms to assess each property and identify hotspots in each geographical market. To sense-check these results we surveyed facility and operations managers to assess climate vulnerability at their properties. Analysis has informed the overall level of physical risk exposure across all existing properties and geographical hotspots. Data is used to inform future investments and establish mitigation plans for existing investments.

Properties which have been identified as high risk through the portfolio-wide climate risk assessment, undertake site-specific climate risk assessments to evaluate significant climate-related vulnerabilities and adaptation actions. At the property level, natural catastrophe risks are assessed as part of Dexu's risk engineering audit regime which uses a risk adjusted approach to selecting sites to audit. The assessment process involves sensitivity analysis and determination of climate risk level based on the inherent risk with reference to 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.

Climate resilience is considered across all properties through its integration into Dexu's Environmental Management System. This provides a structured property risk management process for head office and site-based teams to evaluate sensitivities and vulnerability levels as well as develop adaptation plans and actions moving forward.

Addressing transition risk

Leveraging the business' existing climate risk approach and the climate scenario analysis disclosed in its Towards Climate Resilience report, Dexu commissioned an economic advisory firm to conduct an economic analysis of the climate-related transition impacts relevant to Dexu's customer base over the next 10 years. The economic analysis explored the implications of transition risks to Dexu's customer base and the drivers of financial performance relating to specific economic indicators, such as white-collar employment, industry output, interest rates and Consumer Price Index (CPI).

The analysis focused on the risk and opportunity to rental income by evaluating how customer sector outlooks are economically impacted based on their exposure to physical and transitional climate impacts. This analysis was undertaken to understand changes in customer demand for space and the economic outlook of all sectors (based on their sectoral impacts to climate change), highlighting which industry sectors are the climate winners and losers, and what is the associated impact on their demand for office space.

The economic modelling aligns with the "Dedication and delivery" and "Delay and disruption" scenarios from Dexu's Towards Climate Resilience report and modelled climate-adjusted changes to the macro-economic environment.

The climate-adjusted economic analysis will be used by the business to forecast potential future financial impacts to revenue, arising from customer-related transition risks and opportunities.

The findings will also be used to:

- Integrate into the business's broader strategy
- Identify suitable metrics for ongoing monitoring of climate transition risk
- Indicate a pathway to future climate-related financial disclosures (such as climate-adjusted valuations and integration into the financial statements).

This approach can also be expanded to review key capital expenditure and operational costs over time.

Climate metrics and targets

We have committed to achieve net zero emissions by 30 June 2022 because we believe that ambitious targets lead to bold actions and the quest for innovative solutions. Our net zero emissions target has been verified by the Science Based Targets initiative as consistent with the effort required to limit global temperature increases to below 1.5°C.

Below is a list of climate-related metrics and targets that the business tracks, monitors and regularly discloses:

Metrics	Commitments and targets
<ul style="list-style-type: none"> – Total carbon emissions: Track total scope 1 & 2, plus scope 3 emissions from energy, water & wastewater, waste and recycling and corporate travel and consumables for evaluating overall portfolio impacts of Dexus's managed assets (see pages 85–107) – Carbon footprint: Track corporate carbon footprint which equates to total scope 1,2 & 3 emissions for voluntary offsetting of Dexus's management operations under Australia's Carbon Neutral Program (see page 91) – Carbon intensity: Track ongoing change in intensity for group office portfolio (to account for portfolio changes) against internal targets and external benchmarks (see page 88) – Avoided emissions metrics: Understand avoided costs associated with energy and emissions reduction activities (see page 91) – Emissions productivity index: Track economic output that is derived from each tonne of greenhouse gas emissions generated (see page 99) 	<ul style="list-style-type: none"> – Dexus has committed to a net zero future, a commitment that has been certified by the Science Based Targets Initiative as aligned with a global warming trajectory of under 1.5°C. – Achieve net zero operational carbon emissions by FY22 across the group-managed portfolio – Reduce energy intensity by 10% across the group-managed office portfolio by FY25 against a 2019 baseline – Source 100% of electricity for base building power needs from renewable sources by FY22 across the group-managed portfolio

Enriched Environment continued

Climate-related disclosures

Dexus discloses its approach to addressing climate-related issues within its Annual Reporting Suite, in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The TCFD recommendations provide an effective lens for us to communicate with investors on where direct and indirect risks and opportunities exist, and the action we are taking to address them.

In addition, Dexus's Towards Climate Resilience report identifies opportunities for evolving the business' approach to managing climate-related issues and describes actions that Dexus can take to support its resilience across a range of climate scenarios. Dexus's Towards Climate Resilience report is available at <http://www.dexus.com/towards-climate-resilience>.

Reducing Dexus's emissions footprint

Dexus consumes electricity, natural gas, diesel and solar energy for the operation of its property portfolio and aims to reduce emissions through improving resource efficiency, transitioning to clean energy sources and minimising waste impacts. Refer to pages 85-107 for a detailed disclosure on current environmental performance.

Emissions management

Our continuous improvement approach to addressing environmental issues includes a focus on reducing energy consumption and greenhouse gas emissions. Dexus aims to reduce its greenhouse gas emissions by:

- Tracking greenhouse gas emissions across the group portfolio and ongoing disclosure of performance
- Setting continuous improvement targets
- Conducting ongoing energy management activities and initiatives across operations
- Implementing energy and water efficiency projects
- Generating energy on site from renewable sources
- Purchasing accredited, emission-free GreenPower and deploying renewable Energy Supply Agreements across the portfolio
- Incorporating environmental performance into new developments and investment decision making
- Maintaining carbon neutral

certification for its corporate operations under the Climate Active Carbon Neutral Standard via participation in the Climate Active Australian Government Carbon Neutrality Program

- Actively participating in industry collaborations including the GRESB (Global Real Estate Sustainability Benchmark) and Sydney-based Better Buildings Partnership (BBP)

Renewable energy

We support the development of renewable energy and distributed energy generation across our managed portfolio. As a signatory to the RE100 initiative, we are committed to sourcing 100% renewable electricity by 2030. We will achieve this commitment through on-site solar generation and off-site renewable energy opportunities such as through renewable energy supply agreements.

Dexus has an active management approach towards its energy procurement which helps progress the group's net zero emissions target, leveraging its scale to secure competitive pricing, load flexibility and renewable electricity supplies. All current electricity tenders request 100% renewable electricity for base building consumption, which has become a standard approach across the portfolio. These agreements typically have a future start date and in the interim we purchase accredited GreenPower or Large-scale Generation Certificates (LGCs) until these agreements take full effect. Our approach is to source renewable electricity from GreenPower accredited power stations; primarily wind and solar.

We generate on-site energy across several properties, including emission-free solar hot water, solar photovoltaic (PV) and reduced-emission gas-fired cogeneration. Through these initiatives, we seek to harness natural resources and low carbon natural gas to offset grid purchases of high-emissions coal-fired electricity production.

Carbon neutrality

We have set a pathway to net zero emissions by 30 June 2022 through energy and resource efficiency, renewable energy and minimal offsets.

We are a signatory to Climate Active and our corporate head office has been certified as carbon neutral since 2011. In line with the Climate Active Carbon Neutral Standard, we offset direct emissions from refrigeration and electricity usage and indirect emissions generated by waste to landfill, paper use, airline travel and car mileage for national employees, taxi travel, hire cars and employee commuting.

Carbon neutral certification is achieved through assessing our energy consumption and developing an emissions management plan. The plan focuses on reducing waste to landfill, increasing recycling, increasing the use of recycled products, reducing use of consumables and paper and introducing new technologies to reduce energy consumption.

In 2022, we will expand our reporting boundary to include our managed property portfolio, and in addition we will be certifying selected properties via the Climate Active Carbon Neutral Standard for buildings.

5.4 Stakeholder collaboration on environmental performance

We collaborate across our value chain and conduct ongoing activities to manage and improve environmental performance. Key stakeholders include customers, employees, facility management and suppliers.

Customers

We collaborate with customers to improve their sustainability performance and awareness through initiatives such as City Switch, a national tenant energy efficiency program. We are both a signatory and a landlord within the program.

We aim to drive improvements in customers' energy efficiency through green building committees and other programs. These programs include involvement in the annual Earth Hour campaign and supporting and encouraging tenancy NABERS Energy ratings.

We undertake initiatives to receive regular, open feedback from our customers. Customer feedback helps to determine the important sustainability issues that keep property performance on the right track.

Employees

Through internal working groups, we engage and collaborate with employees to raise awareness of environmental issues and progress ideas and projects to improve environmental performance. We also encourage employees to pursue professional development in sustainability, with a number of Dexu's development managers having achieved Green Star professional accreditation from the Green Building Council of Australia.

Facility managers

Dexu directly manages more than 90% of the properties within the group portfolio. The remaining co-owned properties are managed either by the co-owners or by a jointly appointed independent property manager.

We engage regularly with co-owners and independent property managers to review their performance against the property management agreements, and to monitor alignment with our policies, procedures and KPIs.

We work closely with our facility manager partners for directly managed sites which involves day-to-day interaction regarding operations to maximise property performance, deliver customer service and respond to customer needs.

We employ dedicated retail management teams across directly managed retail centres. These teams work closely with the retail management team to maximise the performance of each centre within its local community.

Suppliers

We engage with like-minded suppliers on sustainability issues and practices. We work with preferred property services providers and equipment vendors to select best-of-breed products to minimise environmental impacts while meeting performance expectations. We communicate our sustainability expectations to all suppliers through the Dexu Sustainable Procurement Policy and Supplier Code of Conduct and suppliers contractually agree to support these policies. Please refer to the Supply Chain section of this document (pages 150-157) for further information.

Industry collaboration on climate action

Dexu's climate change resilience strategy not only involves mitigating its impact through decarbonisation, energy efficiency and renewable energy but also involves collaborating across its value chain, engaging with customers and suppliers to reduce their climate impacts as well as engaging with other key stakeholders. Dexu actively participates in industry collaborative initiatives to advocate for 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.

Dexu also actively participates in industry collaboration as a way of enhancing its understanding of climate risks and climate resilience to enable a more comprehensive integration of climate risks across the business activities. For example, Dexu is a partner of the Green Building Council of Australia's (GBCA) Carbon Positive Roadmap for the built environment, a member of the Property Council of Australia's (PCA) National Sustainability Roundtable and has pledged its support for the World Green Building Council's Net Zero Carbon Buildings Commitment.

5.5 Evaluation and continuous improvement

Our environmental programs are subject to annual external audit. Improvement plans are monitored by corporate leadership teams and the Risk team. The Board ESG Committee, Board Risk Committee and the Board oversee the management of environmental and social issues across the group.

Our management reviews performance against its environmental objectives on a quarterly basis. We report on key environment commitments every six months and report comprehensively on all commitments within our Annual Reporting Suite (available on our website). This is in line with requirements to transparently monitor and report performance as outlined in the Environment Policy.

We benchmark energy efficiency performance against the leading industry benchmarks, NABERS and Green Star. NABERS provides resource consumption profiles for each property and helps to identify improvements. NABERS Energy and Water ratings are regularly undertaken across its portfolio.

We employ measures to assess ESG performance including:

- Monitoring consumption patterns
- Billing data: We record energy and environmental data in a centralised environmental reporting system and facility managers (FMs) receive regular reports that track performance. The FMs are queried about trends that differ from expectations
- Meter data: FMs use interval and sub-meter data for finer granularity. This data helps identify potential savings projects and confirms the effectiveness of implemented projects
- SIPs for each asset list all feasible energy/water projects identified from audits and employee/customer suggestions. Facility managers update the SIPs, which then form a basis for future comparison to confirm that estimated savings are realised
- We conduct measurement and verification to confirm successful project implementation
- Monitoring NABERS ratings for energy and water for all eligible properties. These ratings are heavily scrutinised as they form the basis for internal KPIs
- Participating in investor and industry benchmarking surveys

Environmental performance undergoes ongoing review through:

- Live monitoring of building consumption by FMs
- Monthly sustainability team meetings involving stakeholders from Dexu and its managing agents
- Monthly reporting of NABERS ratings activity and tracking targets
- Monthly review of energy and water billing data and investigation into adverse consumption trends
- Quarterly Board ESG Committee progress updates

We measure our success in environmental performance in the following ways:

- Completion of commitment milestones
- Achievement of targets
- Feedback from customers and employees
- Awards and external recognition
- Inclusion and rankings within sustainability and leadership indices
- Benchmarking against leading industry standards such as NABERS and Green Star

The table below outlines key performance indicators that we use to measure outputs and impacts related to our environmental performance

Topic	Outputs	Impacts
Energy consumption and greenhouse gas emissions		
– Reduce like-for-like portfolio energy use and greenhouse gas emissions	<ul style="list-style-type: none"> – Absolute energy consumption (GJ) – Absolute scope 1 and 2 greenhouse gas emissions (t CO₂-e) 	<ul style="list-style-type: none"> – Reduction in extraction and use of fossil fuels – Mitigation of climate change
Energy efficiency		
– Maximise portfolio energy efficiency	– Energy intensity (MJ/sqm)	<ul style="list-style-type: none"> – Better utilisation of natural resources accounting for portfolio changes – Reduced energy costs
Climate change impacts		
– Target Australian best practice	<ul style="list-style-type: none"> – NABERS Energy portfolio star rating – Greenhouse gas emissions intensity (kg CO₂-e/sqm) through focus on leading performance – Climate risk assessments and minimise exposure 	<ul style="list-style-type: none"> – Lower greenhouse gas emissions in building energy and emissions performance – Mitigate climate change and effectively manage physical and transition risks
Water consumption and efficiency		
– Target Australian best practice in building water performance	<ul style="list-style-type: none"> – NABERS Water portfolio star rating – Water consumption intensity (litres/sqm) 	<ul style="list-style-type: none"> – Reduction in use of potable water and better utilisation of water on site – Reduced water costs
Waste management		
– Maximise data collection coverage across office and retail portfolio	– Waste data coverage = Percentage of total office and retail lettable area with waste data	– Understanding of Dexu waste management impacts
– Increase recycling rate and reduce the percentage of waste sent to landfill across office and retail portfolio	– Waste diversion (%) = total recycled waste/(total recycled waste + waste to landfill)	<ul style="list-style-type: none"> – Reduced volumes of waste sent to landfill and associated avoided greenhouse gas emissions – Diverted materials available for reuse, repurposing or recycling, reducing reliance on new raw materials – Reduced waste management cost
Biodiversity		
– Net positive impact and have integrated biodiversity management within the business	<ul style="list-style-type: none"> – Green Star rating of ecological value credits for new developments – Landcare volunteering – Biodiversity KPIs/SLA in landscaping contract 	– Protect and promote local ecology, enhancing ecosystem productivity and agriculture, and maintaining ecological diversity

2021 GRI Content Index

Dexus referred to the Global Reporting Initiative GRI Standards to determine the 2021 Sustainability Report boundaries and for guidance on identifying and reporting material issues, management approaches and key performance indicators.

Dexus has elected to prepare its 2021 Sustainability Report in accordance with GRI Standards (Core) reporting guidelines. This required Dexus to implement the GRI reporting principles to disclose our approach and performance against a list of standard disclosures as well as topic-specific disclosures based on the list of Dexus's material topics. Dexus's 2021 materiality assessment process is described on page 6.

Dexus has reported against the two main types of disclosures contained within the GRI Standards with the addition of the G4 Construction and Real Estate Sector Supplement:

- **General Disclosures:** Disclosures that set the overall context for understanding Dexus's performance such as strategy, profile, and governance.
- **Material Topic Disclosures:** Sustainability Report – Sustainability Approach and Procedures and indicators that elicit comparable information on Dexus's economic, environmental and social performance for each material issue.

General disclosures

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-1	Name of the organisation	Annual Report , page 4-5 – About Dexus	
102-2	Activities, brands, products, and services	Dexus website	Dexus does not produce or sell any products that are banned in certain markets.
102-3	Location of headquarters	Dexus website – Contact Us	Level 25, Australia Square, 264-278 George Street Sydney NSW 2000
102-4	Location of operations	Annual Report , page 4-5 – About Dexus	Dexus operates in Australia
102-5	Ownership and legal form	Dexus website – Corporate Governance	
102-6	Markets served	Annual Report , pages 4-5 – About Dexus	
102-7	Scale of the organisation	Annual Report , page 4-5 – About Dexus Annual Report , page 51 – People and Capabilities Annual Report , page 114 – Consolidated Statement of Comprehensive Income Annual Report , page 115 – Consolidated Statement of Financial Position Annual Report , page 185 – Investor Information: Top 20 Security holders at 30 July 2021	
102-8	Information on employees and other workers	Sustainability Report – Sustainability Performance Pack, pages 24-33 – Thriving People Sustainability Report – Sustainability Data Appendix, pages 72-81 – Thriving People	
102-9	Supply chain	Sustainability Report – Sustainability Approach and Procedures, pages 150-157 – Supply Chain Sustainability Report – Sustainability Data Appendix, page 84 Sustainability Report – Sustainability Performance Pack, pages 50-51 – Supply Chain Management	
102-10	Significant changes to the organisation and its supply chain	Annual Report , pages 6-11 – Chair and CEO Review Annual Report , page 28-71 – Performance Sustainability Report – Sustainability Data Appendix, page 84 Sustainability Report – Sustainability Performance Pack, pages 50-51 – Supply Chain Management	
102-11	Precautionary Principle or approach	Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk Sustainability Report – Sustainability Approach and Procedures, pages 158-172	
102-12	External initiatives	Dexus website – Memberships and affiliations 2020 PRI Transparency Report 2020 CDP Report Annual Report , Page 188 – Our memberships and affiliations	
102-13	Membership of associations	Dexus website – Memberships and affiliations Annual Report , Page 188 – Our memberships and affiliations	

General disclosures continued

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-13	Statement from senior decision-maker	Annual Report , pages 6-11 – Chair and CEO Review	
102-15	Key impacts, risks, and opportunities	Annual Report , pages 6-11 – Chair and CEO Review Annual Report , pages 12-27 – Approach Towards Climate Resilience , pages 19-21 – Climate-related issues Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119-130 Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131-139 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 140-157 Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 150-157 Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 158-172	
102-16	Values, principles, standards, and norms of behaviour	Annual Report , pages 12-13 – Our Purpose Sustainability Report – Sustainability Performance Pack, page 8 Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131-139 Corporate Governance Statement , pages 11-12 – Principle 3 – Instil a culture of acting lawfully, ethically and responsibly	
102-17	Mechanisms for advice and concerns about ethics	Corporate Governance Statement , pages 11-12 – Principle 3 – Instil a culture of acting lawfully, ethically and responsibly Corporate Governance Statement , page 13 – Principle 4 – Safeguard the integrity of corporate reports Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 110-118 Whistleblower Policy	
102-18	Governance structure	Corporate Governance Statement , page 1 Corporate Governance Statement , pages 2-4 – Principle 1 – Lay solid foundations for management and oversight Corporate Governance Statement , pages 5-10 – Principle 2 – Structure the Board to be effective and add value Corporate Governance Statement , pages 11-12 – Principle 3 – Instil a culture of acting lawfully, ethically and responsibly Corporate Governance Statement , page 13 – Principle 4 – Safeguard the integrity of corporate reports Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk	

General disclosures continued

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-19	Delegating authority	<p>Corporate Governance Statement, pages 12 – 3.5 Sustainability and responsible investment</p> <p>Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 111-112 – Corporate governance</p> <p>Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 141 – Management framework</p> <p>Sustainability Report – Sustainability Approach and Procedures, Strong Communities, page 147 – Management framework</p> <p>Sustainability Report – Sustainability Approach and Procedures, Supply Chain, page 151 – Management framework</p> <p>Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 160 – Management framework</p>	
102-20	Executive-level responsibility for economic, environmental,	Corporate Governance Statement , pages 12 – 3.5 Sustainability and responsible investment	
102-21	Consulting stakeholders on economic, environmental	<p>Dexus website – Contact Us</p> <p>Corporate Governance Statement, page 15 – Principle 6: Respect the rights of Security holders</p> <p>Sustainability Report – Sustainability Performance Pack, pages 14-15 – Sustainable investment</p> <p>Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119-130</p> <p>Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 170-171 – Stakeholder collaboration</p>	Dexus has five Board Committees to assist in fulfilment of its responsibilities. There are seven committees including the Group Management Committee (the senior executives of the organisation). Employees are able to make recommendations through these forums as well as directly to senior management. Security holders may attend the Annual General Meeting (AGM) in person to meet the Board of Directors and Executive team. The Investor Relations team facilitate engagement with investors including regular meetings with investors. A feedback mechanism and enquiry facility are available on the Dexus website to facilitate investor and stakeholder feedback. Additionally, investors can make enquiries through the Registry info line.
102-22	Composition of the highest governance body and its committees	<p>Annual Report, pages 72-77 – Governance</p> <p>Corporate Governance Statement, pages 5-10 – Principle 2: Structure the Board to be effective and add value</p>	
102-23	Chair of the highest governance body	Annual Report , pages 74-76 – Board of Directors	
102-24	Nominating and selecting the highest governance body	<p>Corporate Governance Statement, pages 2-4 – Principle 1: Lay solid foundations for management and oversight</p> <p>Corporate Governance Statement, pages 5-10 – Principle 2: Structure the Board to be effective and add value</p>	

General disclosures continued

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-25	Conflicts of interest	Dexus website – policies Corporate Governance Statement , pages 5-10 – Principle 2: Structure the Board to be effective and add value Corporate Governance Statement , pages 11-12 – Principle 3: Instil a culture of acting lawfully, ethically and responsibly Annual Report , page 109 – Directors' directorships in other listed entities Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 110	
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Statement , pages 2-4 – Principle 1: Lay solid foundations for management and oversight Annual Report , pages 22, 28, 42, 50, 54, 62 – Board focus areas Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 110-118 Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119-130 Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131-139 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 140-157 Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 150-157 Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 158-172	
102-27	102-27 Collective knowledge of highest governance body	Corporate Governance Statement , pages 5-10 – Principle 2: Structure the Board to be effective and add value Annual Report , page 73 – Governance: Board skills and experience	
102-28	Evaluating the highest governance body's performance	Corporate Governance Statement , pages 2-4 – Principle 1: Lay solid foundations for management and oversight Board Performance Evaluation Policy	

General disclosures continued

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance Statement , page 16 – Principle 7: Recognise and manage risk Annual Report , pages 22–27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 110–118 Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119–130 Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131–139 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 140–157 Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 150–157 Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 158–172	
102-30	Effectiveness of risk management processes	Corporate Governance Statement , page 16 – Principle 7: Recognise and manage risk Annual Report , pages 22–27 – Key risks Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 110–118	
102-31	Review of economic, environmental, and social topics	Annual Report , page 108 – Directors Report – Attendance of Directors at Board Meetings and Board Committee Meetings Corporate Governance Statement , page 16 Principle 7: Recognise and manage risk Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 110–118	
102-32	Highest governance body's role in sustainability reporting	Corporate Governance Statement , pages 12–3.5 Sustainability and responsible investment	The 2021 Annual Report is an integrated report that discloses Dexs's financial and sustainability performance. The report has been reviewed and approved by senior executives and managers across all business units with final approval.
102-33	Communicating critical concerns	Corporate Governance Statement , page 16 – Principle 7: Recognise and manage risk Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 110–118	
102-34	Nature and total number of critical concerns	Annual Report , pages 22, 28, 42, 50, 54, 62 – Board focus areas Annual Report , pages 22–27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Towards Climate Resilience , pages 19–21 – Climate-related issues Sustainability Report – Sustainability Data Appendix, page 77 – employee relations matters	

General disclosures continued

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-35	Remuneration policies	Corporate Governance Statement , page 17 – Principle 8: Remunerate fairly and responsibly Annual Report , pages 78-105 – Remuneration Report	
102-36	Process for determining remuneration	Annual Report , pages 78-105 – Remuneration Report	
102-37	Stakeholders' involvement in remuneration	Annual Report , pages 6-11 – Chair and CEO Review Corporate Governance Statement , page 15 – Principle 6: Respect the rights of security holders Annual Report , pages 78-105 – Remuneration Report	
102-38	Annual total compensation ratio	Sustainability Report – Sustainability Data Appendix, page 81 – Thriving People, Remuneration ratios	
102-39	Percentage increase in annual total compensation ratio	Sustainability Report – Sustainability Data Appendix, page 81 – Thriving People, Remuneration ratios	
102-40	List of stakeholder groups	Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 126-129	
102-41	Collective bargaining agreements	Sustainability Report – Sustainability Data Appendix, page 79 – Thriving People, Recruitment	
102-42	Identifying and selecting stakeholders	Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Performance Pack, page 8 – Boundaries and Independent Assurance Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119-130	
102-43	Approach to stakeholder engagement	Dexus website – Sustainability Approach Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Performance Pack, page 8 – Boundaries and Independent Assurance Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119-130	
102-44	Key topics and concerns raised	Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality	
102-45	Entities included in the consolidated financial statements	Annual Report , page 1 – About this report	
102-46	Defining report content and topic Boundaries	Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Performance Pack, page 8 – Boundaries and Independent Assurance Sustainability Report – Sustainability Approach and Procedures, pages 108, 110, 119, 131, 140, 158	
102-47	List of material topics	Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality	

General disclosures continued

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-48	Restatements of information	Annual Report , page 169 – Note 26 Changes in accounting policies Sustainability Report – Sustainability Data Appendix, page 86 – Enriched Environment – Resource consumption data preparation	
102-49	Changes in reporting		There have been no significant changes from previous reporting periods in the boundary, or measurement methods applied in the report.
102-50	Reporting period		Fiscal year 2021 (1 July 2020 – 30 June 2021)
102-51	Date of most recent report		Fiscal year 2020 (1 July 2019 – 30 June 2020)
102-52	Reporting cycle		Reporting cycle is annual, period ending 30 June 2021
102-53	Contact point for questions regarding the report	Annual Report , page 178 – Making contact	
102-54	Claims of reporting in accordance with the GRI Standards	Annual Report , page 178 – 2021 Annual Reporting Suite Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, page 109	
102-55	GRI content index	Sustainability Report – GRI Index, pages 173-198	
102-56	External assurance	Corporate Governance Statement , page 13 – 4.1 Board Audit Committee Annual Report , page 113 – Auditor's Independence Declaration Annual Report , pages 172-179 – Independent Auditor's Report Sustainability Report – Sustainability Performance Pack, page 8 – Independent assurance Sustainability Report – Sustainability Assurance Opinion and Criteria – pages 199-207 Selection and Appointment of External Auditors Policy	PricewaterhouseCoopers (PwC) is an independent auditor engaged by Dexu to audit Dexu's financial reports and provide a Limited Assurance opinion over key aspects of Dexu's sustainability performance as reported in the 2021 Annual Report and within the online reporting suite on the Dexu website.

Material topic disclosures

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Expanding our economic impact on Australian cities				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainability Report , pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Leading Cities, page 119	
	103-2	The management approach and its components	Sustainability Report , pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119-130	
	103-3	Evaluation of the management approach	Annual Report , pages 2-3 – FY21 highlights Annual Report , pages 28-71 – Performance Sustainability Report – Sustainability Approach and Procedures, Leading Cities, page 120-121	
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	Annual Report , pages 2-3 – FY21 highlights Annual Report , pages 28-71 – Performance Annual Report , pages 106-179 – Financial Report – Consolidated Statement of Comprehensive Income, page 114 – Consolidated Statement of Financial Position, page 115 – Consolidated Statement of Changes in Equity, page 116 – Consolidated Statement of Cash Flows, page 117 Annual Report , pages 78-105 – Remuneration Report Sustainability Report – Sustainability Performance Pack, page 44 – Strong Communities	
	201-2	Financial implications and other risks and opportunities due to climate change	Annual Report , pages 22-27 – Key risks Towards Climate Resilience , pages 19-21 – Climate-related issues Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172 Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Expanding our economic impact on Australian cities				
GRI 201: Economic performance 2016 cont.	201-3	Defined benefit plan obligations and other retirement plans		Dexus does not operate a defined benefit superannuation scheme. Consistent with Australian legislation, superannuation contributions are made to superannuation funds selected by employees. Dexus contributes retirement provisions in line with Australia's employer superannuation guarantee requirements. In FY21 Dexus provided superannuation contributions at the legislated contribution rate of 9.5%, unless elected at a higher rate by an employee as part of a voluntary contribution.
	201-4	Financial assistance received from government	Sustainability Report – Sustainability Data Appendix, page 91 – Energy Savings Scheme	During FY21 Dexus generated 1,500 Energy Savings Certificates (ESCs) through participation in the NSW Energy Savings Scheme (ESS) for improvements in base building energy efficiency. However, Dexus did not undertake any ESC transactions, resulting in \$0 revenue for the year.
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Annual Report , pages 42–49 – Properties Sustainability Report – Sustainability Performance Pack, pages 16–23 – Leading cities Sustainability Report – Sustainability Performance Pack, pages 32–43 – Future Enabled Customers and Strong Communities	
	203-2	Significant indirect economic impacts	Sustainability Report – Sustainability Performance Pack, pages 16–23 – Leading Cities Sustainability Report – Sustainability Performance Pack, pages 34–51 – Future Enabled Customers and Strong Communities	
Sector Disclosure: Construction and Real Estate Sector Disclosures 2016	G4-CRE8	Type and number of Sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment	Sustainability Report – Sustainability Performance Pack, pages 62–63 – Enriched Environment, Building certifications Sustainability Report – Sustainability Data Appendix, pages 96–97 – Enriched Environment, NABERS Ratings Property Synopsis , Sustainability	Dexus rates its office and retail buildings and tenancies and displays this information on marketing collateral. Dexus maintained compliance with the Australian Government's Building Energy Efficiency Disclosure (BEED) Act, which requires Dexus and other commercial building owners to disclose the energy efficiency of its building through a Building Energy Efficiency Certificate in the event of marketing the lease and/or sale of a space and/or greater than 1,000 square metres. The provisions of the Act also require the energy efficiency rating (via NABERS ratings) to be displayed in printed, physical and online marketing materials.

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Championing an inclusive and high performing culture				
Sector Disclosure: Construction and Real Estate Sector Disclosures 2016 cont.				<p>At 30 June 2021, of Dexus's group portfolio comprised 58 office and 14 retail properties were NABERS Energy certified.</p> <p>In addition, 55 office and 14 retail Dexus managed properties were voluntarily NABERS Water certified. Dexus voluntarily certifies against Green Star, an environmental rating tool for commercial design, construction and performance, which evaluates a building's impact against eight environmental impact categories. Dexus maintained Green Star Performance ratings across 68 office, retail, industrial and healthcare properties.</p>
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report , pages 22–27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 131	
	103-2	The management approach and its components	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131–139 Sustainability Report – Sustainability Performance Pack, pages 24–33 – Thriving People	
	103-3	Evaluation of the management approach	Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 135 Sustainability Report – Sustainability Performance Pack, pages 24–33 – Thriving People Sustainability Report – Sustainability Data Appendix, pages 72–81 – Thriving People	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Championing an inclusive and high performing culture				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report – Sustainability Data Appendix, page 79, Thriving People, Recruitment, Retention	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Dexus website – Employee benefits overview Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131-139	Dexus offers a number of employee benefits in line with contemporary Australian market practice. Benefits are offered regardless of full-time or part-time employment status but may be pro-rated in the case of leave and life insurance benefits which are based on the employee's regular salary level. Temporary employees engaged via a labour hire agency or contracting agreement receive benefits from their primary employer, the cost of which is factored into the hourly rate or service fee paid by Dexus. Temporary employees are not eligible for the following benefits: leave benefits, life and disability insurance, membership to the corporate discount program, study assistance
	401-3	Parental leave	Sustainability Report – Sustainability Performance Pack, pages 24-33 – Thriving People Sustainability Report – Sustainability Data Appendix, page 79 – Thriving People, Retention Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 136	
GRI 402: Labour management relations 2016	402-1	Minimum notice periods regarding operational changes	Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 134	Notice periods at Dexus vary depending upon level of seniority of the role. The position of CEO must provide 6 months' notice of intention to resign, and senior executives must provide three months' notice of their intention to resign from their respective positions. The minimum notice period for termination of fixed term and permanent employees' employment is two weeks' during probation and one month notice once ongoing employment has been confirmed. For casual employees the notice period is 1 week.

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Championing an inclusive and high performing culture				
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Sustainability Report – Sustainability Data Appendix, page 80 – Thriving People, Training and development	
	404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report – Sustainability Performance Pack, pages 24–33 – Thriving People Sustainability Report – Sustainability Data Appendix, page 80 – Thriving People, Training and development Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131–139	
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Sustainability Data Appendix, page 80 – Thriving People, Training and development	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Report – Sustainability Data Appendix, pages 73–75 – Thriving People, Inclusion and diversity	
	405-2	Ratio of basic salary and remuneration of women to men	Sustainability Report – Sustainability Data Appendix, page 81 – Thriving People, Remuneration ratios	
GRI 406: Non discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Sustainability Report – Sustainability Data Appendix, page 77 – Thriving People, Employee relations matters	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Prioritising safety and wellbeing in our workplace and at our assets				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report , pages 22–27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131–139 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 140–149	
	103-2	The Management approach and its components	Annual Report , page 6–11 – Chair and CEO Review Annual Report , page 22–27 – Key risks Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 137–139 – employee health and safety Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 143–144 – customer and occupant health and safety Sustainability Report – Sustainability Approach and Procedures, Supply Chain, page 156 – contractor health and safety	
	103-3	103-3 Evaluation of the Management approach	Annual Report , page 6–11 – Chair and CEO Review Annual Report , pages 50–53 – People and capabilities Sustainability Report – Sustainability Data Appendix, page 77 – Thriving People, Work Health and Safety	
GRI 403: Occupational Health and Safety 2018 (management approach disclosures)	403-1	Occupational health and safety management system	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 137–139 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, page 143–144	
	403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 137–138 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, pages 143–144	
	403-3	Occupational health services	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 137–139	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Prioritising safety and wellbeing in our workplace and at our assets				
	403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 137-139	
	403-5	Worker training on occupational health and safety	Sustainability Report – Sustainability Approach and Procedures, Thriving People, page 138	
	403-6	Promotion of worker health	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 137-139 Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, pages 143-144	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 156-157	
	403-8	Workers covered by an occupational health and safety management system	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 137-139 Sustainability Report – Sustainability Data Appendix, page 77 – Thriving People	
	403-9	Work-related injuries	Sustainability Report – Sustainability Data Appendix, page 77 – Thriving People	
	403-10	Work-related ill health	Sustainability Report – Sustainability Data Appendix, page 77 – Thriving People	Dexus employees are not involved in occupational activities that have a high incidence or high risk of specific diseases.
GRI 416: Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 143-144 – customer and occupant health and safety Annual Report , page 51 – People and capabilities, safety audit score	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Maintaining a portfolio resilient to the physical impacts of climate change				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report , pages 22-27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172	
	103-2	The management approach and its components	Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172 Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment	
	103-3	Evaluation of the Management approach	Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 171 – Evaluation and process improvement Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and Opportunities due to climate change	Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment Towards Climate Resilience , pages 19-21 – Climate-related issues	
Managing the use of resources efficiently				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report , pages 22-27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 159	
	103-2	The management approach and its components	Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172 Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172	
	103-3	Evaluation of the management approach	Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 171 – Evaluation and process improvement Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Managing the use of resources efficiently				
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment – Group managed portfolio – environmental inventory	
	302-2	Energy consumption outside of the organisation		Information on upstream energy consumption outside Dexus's organisation boundary relates to energy consumed by suppliers providing products and services to Dexus. Dexus has engaged with key suppliers to request information, and with only a limited number of suppliers stating that energy data is available. Downstream energy consumption relates to energy consumption by tenants occupying Dexus buildings. Dexus collects data for tenants across a proportion of properties, however this data falls outside of the operational control boundary used for public disclosure.
	302-3	Energy intensity	Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment – Group managed portfolio – Consumption/emissions on an intensity basis	
GRI 302: Energy 2016. cont.	302-4	Reduction of energy consumption	Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 137-146	
	302-5	Reductions in energy requirements of products and services	Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172 Sustainability Report – Sustainability Performance Pack, page 63 – Enriched Environment, Green Star and National Australian Built Environment Ratings System (NABERS)	
Sector Disclosure: Construction and Real Estate Sector Disclosures 2016	G4-CRE1	Building energy intensity	Sustainability Report – Sustainability Performance Pack, page 53 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 85-107 – Enriched Environment	Building energy intensity is reported in megajoules per square metre rather than kilowatt-hours per square metre.

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Managing the use of resources efficiently				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Sustainability Report – Sustainability Approach and Procedures, page 161 – Enriched Environment, Water use	
	303-2GRI	Management of water discharge-related impacts	Sustainability Report – Sustainability Approach and Procedures, page 161 – Enriched Environment, Water use	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	Sustainability Report – Sustainability Data Appendix, page 93, Enriched Environment – Water consumption by source Sustainability Report – Sustainability Approach and Procedures, page 161 – Enriched Environment, Water use	
	303-4	Water discharge	Sustainability Report – Sustainability Approach and Procedures, page 161 – Enriched Environment, Water use	
	303-5	Water consumption	Sustainability Report – Sustainability Data Appendix, page 93, Enriched Environment – Water consumption by source	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Sustainability Report – Sustainability Approach and Procedures, page 162 – Enriched Environment, Waste management	
	306-2	Management of significant waste-related impacts	Sustainability Report – Sustainability Approach and Procedures, page 162 – Enriched Environment, Waste management	
	306-3	Waste generated	Sustainability Report – Sustainability Data Appendix, page 94	
	306-4	Waste diverted from disposal	Sustainability Report – Sustainability Data Appendix, page 94 Sustainability Report – Sustainability Approach and Procedures, page 162 – Enriched Environment, Waste management	
	306-5	Waste directed to disposal	Sustainability Report – Sustainability Data Appendix, page 94	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Supporting the transition to a low carbon economy through net zero emissions				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report , pages 22-27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 159	
	103-2	The management approach and its components	Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172 Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment	
	103-3	Evaluation of the management approach	Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, page 171 – Evaluation and continuous improvement Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment Reporting criteria	
	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment Reporting criteria	
	305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment Reporting criteria	
	305-4	GHG emissions intensity	Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment Reporting criteria	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Supporting the transition to a low carbon economy through net zero emissions				
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment Sustainability Report – Sustainability Performance Pack, pages 52-65 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 85-107, Enriched Environment Sustainability Report – Sustainability Approach and Procedures, Enriched Environment, pages 158-172	
	305-6	Emissions of ozone-depleting substances (ODS)	Sustainability Report – Sustainability Data Appendix, page 95 – Enriched Environment – Emissions of ozone depleting substances	
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions		In FY21 Dexus estimates it emitted the following air emissions through combustion of natural gas and diesel within generators, cogeneration engines and fire pumps: 19.5 tonnes of Nitrogen oxides (NOx), 5.1 tonnes of Carbon Monoxide (CO), 0.1 tonne of Sulphur Dioxide (SOx), 0.9 tonne of particulate matter ≤ 2.5µm, 0.9 tonne of particulate matter ≤ 10µm, and 0.8 tonne of volatile organic compounds (VOCs).
Sector Disclosure: Construction and Real Estate Sector Disclosures 2016	G4-CRE3	Greenhouse gas emissions intensity from buildings	Sustainability Report – Sustainability Performance Pack, page 53 – Enriched Environment Sustainability Report – Sustainability Data Appendix, pages 85-107 – Enriched Environment	
Deploying smart building technology to enhance the customer experience				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report , pages 22-27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality	
	103-2	The management approach and its components	Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, pages 123-129 Sustainability Report – Sustainability Performance Pack, pages 33-37 – Future Enabled Customers	
	103-3	Evaluation of the management approach	Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, pages 140-149 Sustainability Report – Sustainability Performance Pack, pages 35-40 – Future Enabled Customers Sustainability Report – Sustainability Data Appendix, page 82, Future Enabled Customers and Strong Communities	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Deploying smart building technology to enhance the customer experience				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report – Sustainability Data Appendix, page 77	
Ensuring high standards of corporate governance and transparency				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Annual Report , pages 22–27 – Key risks Sustainability Report – Sustainability Performance Pack, pages 6–7 – Our approach to materiality Corporate Governance Statement , page 14 – Principle 5 – Make timely and balanced disclosure	
	103-2	The management approach and its components	Corporate Governance Statement , page 14 – Principle 5 – Make timely and balanced disclosure Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 110–118 Annual Report , page 176 – Investor Information	
	103-3	Evaluation of the management approach	Corporate Governance Statement , page 14 – Principle 5 – Make timely and balanced disclosure Sustainability Report – Sustainability Approach and Procedures, Sustained Value, page 118 – Evaluation and process improvement Annual Report , page 176 – Investor Information	
GRI 102: Ethics and integrity 2016	102-17	Mechanisms for advice and concerns about ethics	Corporate Governance Statement , pages 11–12 – Principle 3 – Instil a culture of acting lawfully, ethically and responsibly Corporate Governance Statement , page 13 – Principle 4 – Safeguard the integrity of corporate reports Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk Sustainability Report – Sustainability Approach and Procedures, Sustained Value, pages 110–118 Whistleblower Policy	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Ensuring high standards of corporate governance and transparency				
GRI 102: Governance 2016	102-25	Conflicts of interest	Dexus website – policies Corporate Governance Statement , pages 5-10 – Principle 2 – Structure the Board to be effective and add value Corporate Governance Statement , pages 11-12 – Principle 3 – Instil a culture of acting lawfully, ethically and responsibly Annual Report , page 109 – Directors' directorships in other listed entities	Dexus has strict policies which address the identification and management of conflicts of interest including Director Code of Conduct; Employee Code of Conduct; Conflicts of Interest – Business, Conflicts of Interest – Personal Policy (including gifts and entertainment); Securities Trading Policy (including Inside Information); and Gifts and Entertainment. Potential conflicts and related party transactions are overseen by the Compliance Manager and are reported on a regular basis to the Board.
GRI 205: Anticorruption 2016	205-1	Operations assessed for risks related to corruption	Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk – 7.2 Risk management	<p>Each year Dexus completes a review of its risk management framework that encompasses 100% of employees. Risk management policies, procedures and governance committee structure are reviewed to ensure continuous improvement and to minimise the risk of ethical or corruption breaches.</p> <p>The review process involves the facilitation of risk workshops with senior management to review and update the risk register. Dexus has a Fraud, Corruption and Bribery (Prevention and Awareness) Policy that outlines its commitment to ethical behaviour.</p>
	205-2	Communication and training about anticorruption policies and procedures	Directors' Code of Conduct Corporate Governance Statement , pages 5-10 – Principle 2 – Structure the Board to be effective and add value – 2.8 Access to training and information Corporate Governance Statement , pages 11-12 – Principle 3 – Instil a culture of acting lawfully, ethically and responsibly Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk – 7.2 Risk management Sustainability Report – Sustainability Data Appendix, page 72-81 – Thriving People	<p>Dexus board members are required to adhere to the Directors' Code of Conduct. Directors must comply with the legal framework governing the operations of Dexus which includes anti-corruption policies and procedures.</p> <p>Dexus conducts annual risk roadshows nationally that addressed risk, operational and ESG topics, in partnership with our key business partner CBRE.</p>
	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report – Sustainability Data Appendix, page 72-81 – Thriving People	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Ensuring high standards of corporate governance and transparency				
GRI 206: Anti competitive behaviour 2016	206-1	Legal actions for anticompetitive behaviour, anti-trust, and monopoly practices		There were no legal actions brought against Dexus for anti-competitive, anti-trust or monopoly practices in FY21.
GRI 307: Environmental Compliance 2016	307-1	Noncompliance with environmental laws and regulations		In FY21, Dexus recorded no significant incidents of non-compliance with environmental laws and/or regulations. Dexus did not receive and fines or non-monetary sanctions and had no legal cases concerning environmental issues brought against it.
GRI 415: Public Policy 2016	415-1	Political contributions	Sustainability Report – Sustainability Approach and Procedures, page 128 Dexus website – Memberships with industry associations and affiliations Annual Report , Page 182 – Our memberships and affiliations	<p>Dexus does not give any contributions – financial or in-kind – to political parties or politicians. During FY21 Dexus contributed \$440,112 to trade associations for memberships and event sponsorships. Dexus's alignment towards trade associations views on key sustainability topics is detailed within Dexus's 2021 CDP Report.</p> <p>Dexus is a member of various industry associations that promote best practice, advocate for policy reforms or otherwise enhance the property sector or geographical markets in which we operate. Key industry memberships and sponsorships include: Property Council of Australia, Green Building Council of Australia, Global Real Estate Sustainability Benchmark, Better Buildings Partnership, Principles for Responsible Investment, RE100, Investor Group on Climate Change, Australasian Investor Relations Association, Committee for Sydney, Melbourne Chamber of Commerce, NSW Business Chamber, Urban Land Institute and the Asia Pacific Real Estate Association.</p>
GRI 417: Marketing and labelling 2016	417-1	Requirements for product and service information and labelling	Supplier Code of Conduct , pages 7-9 – Sustainable/ethical purchasing policies and products	
	417-2	Incidents of non-compliance concerning product and service information and labelling		Dexus recorded no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes in FY21.
	102-44	Results of surveys measuring customer satisfaction	Sustainability Report – Sustainability Performance Pack, pages 35-40 – Future Enabled Customers Sustainability Report – Sustainability Data Appendix, page 82 – Future Enabled Customers and Strong Communities	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Ensuring high standards of corporate governance and transparency				
GRI 419: Socio economic compliance	419-1	Non-compliance with laws and regulations in the social and economic area		Dexus recorded no significant fines or sanctions for non-compliance with social or economic laws or regulations in FY21.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainability Report – Sustainability Performance Pack, pages 6-7 – Our approach to materiality Sustainability Report – Sustainability Approach and Procedures, pages 140-149 – Future Enabled Customers and Strong Communities	
GRI 103: Management Approach 2016 cont.	103-2	The management approach and its components	Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers, Strong Communities, Supply Chain, pages 140-149 Sustainability Report – Sustainability Performance Pack, pages 34-51 – Future Enabled Customers and Strong Communities	
	103-3	Evaluation of the management approach	Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 150-157 Sustainability Report – Sustainability Performance Pack, pages 34-51 – Future Enabled Customers and Strong Communities Sustainability Report – Sustainability Data Appendix, pages 140-149, Future Enabled Customers and Strong Communities	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers		99.95% of operational expenditure for the group's managed portfolio are Australian based suppliers (includes Australian divisions of international companies).
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	Sustainability Report – Sustainability Performance Pack, page 62 – Enriched Environment, Biodiversity	The Dexus Biodiversity Policy sets out how Dexus protects and enhances biodiversity through its activities.
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		In FY21 Dexus did not receive any complaints or grievances regarding negative environmental impact due to supplier and service provider activities.
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Report – Sustainability Performance Pack, pages 50-51 – Supply Chain Management Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 130-136	
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	Sustainability Report – Sustainability Approach and Procedures, pages 150-157 – Supply Chain 2021 Modern Slavery Statement	
GRI 412:	412-1	Operations that have been subject to human rights	Sustainability Report – Sustainability Performance Pack, pages 50-51 – Supply Chain Management	

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Ensuring high standards of corporate governance and transparency				
Human Rights Assessment 2016		reviews or impact assessments	Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131-139 Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 150-157 Sustainability Report – Sustainability Performance Pack, page 13 2021 Modern Slavery Statement	
	412-2	Employee training on human rights policies or procedures	Sustainability Report – Sustainability Data Appendix, page 80 – Thriving People, Training and development Sustainability Report – Sustainability Approach and Procedures, Thriving People, pages 131-139 Human Rights Policy 2021 Modern Slavery Statement	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Sustainability Report – Sustainability Performance Pack, pages 50-51 – Supply chain management Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 150-157	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report – Sustainability Approach and Procedures, Future Enabled Customers and Strong Communities, pages 140-149 Sustainability Report – Sustainability Approach and Procedures, Leading Cities, pages 119-130	
	413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Report – Sustainability Performance Pack, pages 41-49 – Strong Communities	No potential or actual material negative impacts identified. Positive impacts are reported at the referenced location.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainability Report – Sustainability Performance Pack, pages 50-51 – Supply Chain Management Sustainability Report – Sustainability Approach and Procedures, Supply Chain, pages 150-157	
	414-2	Negative social impacts in the supply chain and actions taken	Sustainability Report – Sustainability Performance Pack, pages 50-51 – Supply Chain Management Sustainability Report – Sustainability Approach and Procedures, Supply Chain – pages 150-157	Dexus monitors industry dialogue regarding labour practices through our use of Informed 365, our participation in the PCA Modern Slavery Group and via adverse media monitoring, with no material impacts identified through monitoring of suppliers. Dexus is to continue to enhance supplier engagement to improve data collection and reporting regarding supplier performance including labour practices. By extending the reach of our Supplier Surveys and Contractors NPS, providing Human Rights awareness training to all of the workers attending Dexus

Material topic disclosures continued

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Ensuring high standards of corporate governance and transparency				
Sector Disclosure: Construction and Real Estate Sector Disclosures 2016	G4-CRE7	Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project		assets and by making available the confidential Your call service. No people were physically displaced as a result of Dexu operations.

Sustainability Assurance Statement



Independent limited assurance report

What we found

Based on the work described below, nothing has come to our attention that causes us to believe that the Subject Matter for the year ended 30 June 2021 has not been prepared, in all material respects, in accordance with the Assurance Criteria.

To the Board of Directors of Dexus Funds Management Limited,

What we did

Dexus Funds Management Limited (**Dexus**) engaged PricewaterhouseCoopers (**PwC**) to perform a limited assurance engagement on the preparation of selected Subject Matter contained within their 2021 Sustainability Report and 2021 Annual Report in accordance with the Assurance Criteria for the year ended 30 June 2021.

Selected Subject Matter

The Subject Matter included within the scope of our engagement comprised the following performance metrics contained within the 2021 Sustainability Report and 2021 Annual Report presented at: www.dexus.com/2021-sustainability-report; and www.dexus.com/2021-dexus-annual-report.

- Total net energy consumption **566,745 GJ**
- Total Scope 1, 2 and 3 location-based greenhouse gas (GHG) emissions **135,296 tCO₂-e**
- Total Scope 1, 2 and 3 market-based GHG emissions **121,291 tCO₂-e**
- Total Scope 1, 2 and 3 net GHG emissions **118,791 tCO₂-e**
- Total water usage **1,069,700 kL**
- Total waste to landfill and recycling **8,043 t**
- Percentage of female employees (FTE) **54%**
- Percentage of females in senior management (headcount) **35%**
- Percentage of female Non-Executive Directors **42.9%**
- Absentee rate **2.4**
- Lost time injury frequency rate **2.1**
- Fatalities **0**

Assurance Criteria

The criteria against which we assessed the Subject Matter was prepared by Dexus and is titled 2021 Assurance Criteria Document presented at: www.dexus.com/2021-sustainability-report and included as Appendix 1 to our Assurance Report.

Independence and Quality Control

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

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

Responsibilities

PricewaterhouseCoopers

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

Dexus

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

What our work involved



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

Main procedures performed

Our procedures consisted primarily of:

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

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

Caroline Mara
Partner
16 August 2021

PricewaterhouseCoopers
Sydney

Liability limited by a scheme approved under Professional Standards Legislation

Inherent limitations

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

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

Restriction on use

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

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

Any reliance on this report by any third party is entirely at its own risk. We consent to the inclusion of this report within the 2021 Integrated Online Reporting Suite presented at: www.dexus.com/2021-sustainability-report to assist Dexus' members in assessing whether the directors have discharged their responsibilities by commissioning an independent assurance report in connection with the selected Subject Matter.

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

Limited assurance

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

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

2021 reporting criteria



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

The following criteria were used by Dexus to prepare the selected subject matter assured by PricewaterhouseCoopers (PwC) included within the 2021 Dexus Sustainability Performance Pack set out below.

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

Dexus believes that underlying data presented for other areas of the 2021 Annual Report is sound.

Parameters used in the preparation of the subject matter – Group environmental inventory

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

Item	Description
Reporting period	1 July 2020 to 30 June 2021
Reporting boundary	<p>Unless otherwise stated, Dexus applied the principles contained within the <i>National Greenhouse and Energy Reporting Act 2007</i> (NGERA) and its associated guidelines. Unless otherwise stated below, the reporting boundary comprises those facilities in Australia which fall under the operational control of members of the group of which Dexus Holdings Limited is the controlling corporation for part of or all the 12 months ending June 30, 2021.</p> <p>The operations covered under the scope of reporting are consistent with Dexus's operation as a property business, being:</p> <ol style="list-style-type: none"> Property investment including directly owned assets and assets managed on behalf of third-party investors. Property investment comprises: <ol style="list-style-type: none"> Office assets Industrial assets Retail assets.



2. **Occupied premises** being Dexus occupied tenancies.

Property development is excluded from the boundary of operational control for Australia. Operational control of the development site is handed over at Practical Completion of the development.

Total Scope 1, 2 and 3 location-based GHG emissions

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

$$\text{Total Scope 1, 2, and 3 location based GHG emissions} = \text{Scope 1 GHG Emissions} + \text{Scope 2 location based GHG Emissions} + \text{Scope 3 location based GHG Emissions}$$

Where:

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

'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and have been adopted by the NGERA. Reporting is in alignment with the NGERA and its associated guidelines with the exception of Scope 3 GHG emissions as described below. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).

Total Scope 1, 2 and 3 market-based GHG emissions

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

$$\text{Total 1, 2, and 3 market based GHG emissions} = \text{Scope 1 GHG Emissions} + \text{Scope 2 market based GHG Emissions} + \text{Scope 3 market based GHG Emissions}$$

Where:

Scope 1 GHG Emissions, *Scope 2 market based GHG Emissions* and *Scope 3 market based GHG Emissions* are as defined within this criterion.

'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and have been adopted by the NGERA. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).

Scope 1 GHG emissions

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

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

Dexus does not have company fleet vehicles and no vehicle related emissions have been reported. Scope 1 emissions have been calculated according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2020*.

Scope 2 location-based GHG emissions

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

Scope 2 emissions have been calculated using published average grid emission factors according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2020*.



Scope 2 GHG market-based GHG emissions

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

'Market-based' Scope 2 emissions involve separate accounting for any type of energy or energy attributed to a purchase via a contractual instrument, using source-based scope 2 emission factors evidenced by electricity attribute certificates, as defined within *The Greenhouse Gas Protocol: Scope 2 Guidance*.

Dexus has separated its electricity purchases into three categories for emissions calculations:

Renewable electricity:

- **'Supplied renewable electricity'** supplied as a proportion of total grid purchases from energy retailers within electricity supply arrangements, which involves retailers surrendering Large Scale Generation Certificates (LGCs) for electricity consumed by Dexus in line with Australia's Renewable Energy Target (RET). These are evidenced by electricity supply agreements and tax invoices for supply of electricity, as defined below
- **'Additional voluntary renewable electricity'** purchases made by Dexus that can be accounted using source-based scope emission factors evidenced by *electricity attribute certificates* obtained and surrendered by or on behalf of Dexus, as defined below

Non-renewable electricity:

- **'Remaining electricity'** which is deemed to be derived from fossil fuels, where emissions are accounted for by applying state-based 'residual mix factors', as defined below

Where:

Electricity supply agreements and tax invoices – agreements between Dexus and electricity retailers for the supply of electricity, and subsequent invoices issued that state the volume of electricity consumed. These agreements and tax invoices include details for the sourcing of LGCs in line with retailer requirements under the RET, with Dexus being the end-consumer of electricity.

Energy attribute certificates – instruments have been developed to track energy production information (or its "attributes") separately from actual energy delivery. These instruments typically flow from energy generation facilities to energy suppliers and ultimately energy consumers to support consumer claims about the type of energy used and its related attributes.

Dexus recognises the following schemes and certificates as energy attribute certificates and has applied the nominated GHG emission coefficients listed in the table below for quantities of electricity purchased and consumed, or volumes of certificates that retired under these schemes.

Energy attribute certificate scheme	Scope 2 emission factor	Scope 3 emission factor	Evidence
GreenPower – electricity generated under the National GreenPower Accreditation Program (https://www.greenpower.gov.au/)	0	0	Tax invoices for the purchase of GreenPower with retirement managed by the GreenPower provider
Large Scale Generation Certificates (LGCs) created by accredited renewable energy power stations under Australia's Renewable Energy Target, administered by the Clean Energy Regulator	0	0	Electricity tax invoices for 'bundled LGCs', supported by electricity contracts Tax invoices for the purchase of additional LGCs and records of retirements of certificates in their relevant registries.
Contracts for electricity, such as power purchase agreements (PPAs) not involving GreenPower nor LGCs, and contracts from specified sources, where electricity attribute certificates do not exist or are not required for a usage claim.	Source specific	State-based coefficients as per location-based accounting	Tax invoices or other equivalent energy attribute certificate.

¹ For GreenPower and LGCs, a scope 3 emission factor = 0 is applied as losses are taken into account in the creation of LGC's in accordance with the GreenPower Program Rules Version 10, page 14 and <http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/Power-stations/Large-scale-generation-certificates/Large-scale-generation-certificate-eligibility-formula>

Renewable Power Percentage (RPP) – The renewable power percentage represents the number (or percentage) of LGCs each liable entity (i.e., electricity retailer) is required to surrender each year. Retailers in turn include the surrender of LGCs in electricity contracts, and as the end consumer of electricity, organisations like Dexus are receiving a proportion of total electricity in line with the RPP. Dexus is applying the RPP as a close proxy for the national proportion of renewable energy supplied to consumers via their electricity arrangements.

The RPP is published annually by Australia's Clean Energy Regulator:

<http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/the-renewable-power-percentage>

Market-based 'residual mix' factors – emissions factors relating to fossil fuel electricity generators, and are derived from the published state-based grid emissions factors (location-based factors), and scaled for the proportion of electricity generated from fossil fuels by subtracting the Renewable Power Percentage (RPP) from total (or 100%) of electricity supplied, as follows:

$$\text{Residual Mix Factor emissions coefficient} = \frac{\text{location based grid factor}}{(100\% - \text{RPP})}$$

Scope 2 'location-based' grid factors have been sourced from the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2020*.

Scope 3 'location-based' grid factors have been sourced from the *National Greenhouse Accounts (NGA) Factors, October 2020*.

This approach has been adopted from the *Property Council Scope 2 workbook, v1 28 June 2019* published by the Property Council of Australia, however the calculations are applied individually to each state-based factor, rather than using a national approach.

This deviation has been adopted to maintain consistency with location-based reporting – noting that once the RPP is used to separate grid-supplied electricity into renewable and non-renewable, this approach results in equivalent emissions, should an organisation not make any additional voluntary renewable energy purchases.

Within this approach:

- Electricity attribute certificates acquired directly by Dexu and surrendered are deemed to be additional to those surrendered to meet RET obligations
- Given the interconnected nature of the National Electricity Market, it is assumed that the proportion of renewable energy is equitably distributed across Australia, including Western Australia

Scope 3 location based GHG emissions	<p>Scope 3 location-based emissions (other indirect emissions) comprise GHG associated with transmission and distribution losses ("energy losses") associated with energy use, waste sent to landfill, recycled waste, and water/wastewater use, and emissions from corporate operations including office paper use, corporate travel and employee commuting.</p> <p>Data sources:</p> <ul style="list-style-type: none"> - Data for energy losses is that used to calculate scope 1 and 2 emissions. - Data for waste to landfill and recycled waste is provided by waste contractors directly or collated by site managers from data provided by waste contractors. Estimated data is applied based on Dexu's methodology if billing data is unavailable at the time of reporting. - Data for water consumption is provided by water utilities. Estimated data is applied based on Dexu's methodology if billing data is unavailable at the time of reporting. - Data for corporate operations has been compiled in accordance with the <i>Climate Active Carbon Neutral Standard for Organisations, July 2020</i>. <p>Emissions factors and calculations:</p> <ul style="list-style-type: none"> - Scope 3 emissions for energy and waste to landfill have been calculated according to the <i>National Greenhouse Accounts (NGA) Factors, October 2020</i>. - Scope 3 emissions for recycled waste have been calculated according to <i>Department of Sustainability, Environment, Water, Population and Communities: A study into commercial & industrial (C&I) waste and recycling in Australia by industry division: 2013, Table 21: Greenhouse gas impacts of landfilling and recycling materials</i>. - Scope 3 emissions for water/wastewater have been calculated using factors derived from the <i>Australian Bureau of Meteorology Urban National Performance Report 2019-2020</i> http://www.bom.gov.au/water/npr/ - Emissions for corporate air travel have been calculated according to the <i>2021 Government GHG Conversion Factors for Company Reporting</i> and associated <i>2021 Carbon Factors</i> published by the United Kingdom's Department of Environment, Food and Rural Affairs (DEFRA).
Scope 3 market based GHG emissions	<p>As per the definition above, except that a scope 3 residual mix factor is used to calculate emissions for non-renewable electricity, in line with the Scope 2 market based GHG emissions definition.</p> <p>For GreenPower and LGCs, a scope 3 emission factor = 0 is applied as losses are taken into account in the creation of LGC's in accordance with the GreenPower Program Rules Version 10,</p>

page 14 and <http://www.cleanenergyregulator.gov.au/RET/Scheme-participants-and-industry/Power-stations/Large-scale-generation-certificates/Large-scale-generation-certificate-eligibility-formula>



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

$$\begin{aligned} \text{Total Net 1, 2, and 3 GHG emissions} \\ = \text{Scope 1 GHG Emissions} + \text{Scope 2 market based GHG Emissions} \\ + \text{Scope 3 market based GHG Emissions} - \text{GHG offsets} \end{aligned}$$

Where:

'GHG offsets' comprises carbon offsets or carbon credits equivalent offset units eligible under the *Climate Active Carbon Neutral Standard for Organisations*, administered by the Australian Department of Industry, Science, Energy and Resources.

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

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

GHG offsets are created and tracked through market registers.

'Scopes' are defined under the international reporting framework of the World Resources Institute/World Business Council for Sustainable Development reported in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* and have been adopted by the NGERA. Reporting is in alignment with the NGERA and its associated guidelines with the exception of Scope 3 GHG emissions as described above. GHG are measured in carbon dioxide equivalents and expressed in tonnes (tCO₂-e).

Energy consumed Energy consumed comprises natural gas, diesel and electricity purchased by Dexu for facilities within the reporting boundary for Australia.
Energy consumed also comprises secondary electricity that is generated from conversion of solar energy, and natural gas or diesel via combustion, for consumption within the facility.
Energy consumed is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors specified within the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2020*.
Energy consumption has been based on quantities invoiced or metered by suppliers. Estimates are used when billing data is unavailable and these are based on Dexu's methodology, drawing from secondary sources such as meter data or based on seasonal historical estimates.

Energy produced Energy produced comprises energy captured from natural sources and the manufacture of energy from transformation from another fuel source within Dexu for facilities within the reporting boundary for subsequent consumption onsite or export offsite.
Energy produced comprises:

- **Electricity production from solar radiation (solar PV).** The data for electricity production from solar radiation is derived from site-based sub meters. Estimated data is applied based on Dexu's methodology if meter data is unavailable at the time of reporting.
- **Electricity production from thermal generation (cogeneration and diesel generators).** Data for electricity production from thermal generation is derived direct measurement or from incoming natural gas or diesel utility data that is multiplied by efficiency factors of 32% for natural gas and 40% for diesel, which represent the estimated electricity yield. Estimated data is applied based on Dexu's methodology if meter data is unavailable at the time of reporting.

Energy produced is calculated as a total figure converting measured usage to gigajoules using the methods and conversion factors specified within the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2020*.

Total net energy consumed Total net energy consumed is defined as the energy consumed minus the energy produced within the reporting boundary.

Water consumption Water consumption is based on quantities invoiced or metered by suppliers.
Water consumption comprises:

- Water purchased by Dexu from local water authorities and suppliers for assets for which Dexu has operational control
- Recycled water from onsite greywater and blackwater treatment systems

	Water consumption excludes water use from onsite rainwater harvesting.
Total waste	<p>Total waste is based on volume or weight quantities invoiced by waste contractors.</p> <p>Total waste comprises:</p> <ul style="list-style-type: none"> Waste measured in weight that is sent to landfill by waste and cleaning contractors on behalf of Dexus and our customers for office and retail assets for which Dexus has operational control. Recycling measured in weight that is diverted from landfill by waste and cleaning contractors on behalf of Dexus and our customers for office and retail assets for which Dexus has operational control. Where waste and recycling data is based off volumes rather than actual weights, waste contractors use a predetermined density factor to report to Dexus in weight. Waste contractors may apply different density factors based on their historical analysis of different waste collection practices employed at Dexus facilities. For example, there may be variations in bin size and average bin fullness across different facilities. <p>Total waste excludes waste to landfill and recycling for industrial assets as Dexus does not have operational control over waste collection.</p> <p>Furthermore, waste data may be not available for all office and retail facilities. The site area of those facilities that have been reported represents 100% of the total lettable area of retail and office facilities.</p>
Data confidence and estimation	<p>Where primary data such as utility invoices have not been received, estimates are applied using the following prioritised data methodology:</p> <ol style="list-style-type: none"> 30-minute interval electricity, natural gas and water metering data supplied by MP/MDA Metering Dynamics Estimated data using an estimate that accounts for seasonal variances derived by: <ol style="list-style-type: none"> Derived from an actual figure for the same period in the prior year, adjusted for the length of the gap Derived from an actual figure for the prior month, adjusted for the length of the gap Interpolation between two adjacent actual readings, adjusted for the length of the gap Estimated data using the monthly average for the previous 12-month period.

Parameters used in the preparation of the subject matter - Employees

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

Item	Description
Reporting period	1 July 2020 to 30 June 2021
Reporting boundary	<p>Unless otherwise stated below, the reporting boundary comprises employees ('Dexus workforce', 'Dexus employees') across facilities in Australia which fall under the operational control of members of the group of which Dexus Holdings Limited is the controlling corporation.</p> <p>The 'Dexus workforce' or 'Dexus employees' includes staff employed full-time, part-time, on fixed term contracts and on a casual basis and excludes independent consultants/service providers and temporary staff sourced via external agencies.</p>
Number of workers	<p>Number of workers - Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2021.</p> <p>Headcount data for the purpose of these statistics represents the active Dexus workforce and is based on the metric 'Total Headcount (ongoing)' as defined by the Australian Public Service Commission (https://legacy.apsc.gov.au/appendix-common-workforce-metrics), as the number of <i>ongoing</i> employees directly employed by Dexus at the point in time described above.</p>
Number of full-time equivalent employees	<p>Number of full-time equivalent employees (FTEs) - Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2021.</p> <p>FTE data for the purpose of these statistics represents the whole Dexus workforce, and is based on the metric 'Total FTE' as defined by the Australian Public Service Commission (https://legacy.apsc.gov.au/appendix-common-workforce-metrics), as the number of full-time equivalent employees directly employed by the organisation at a point in time where part-time employees are converted to full-time equivalent based on the hours they work as a proportion of the hours for a full-time employee.</p>



Number of hours worked	<p>Number of hours worked in the period - Refers to the total scheduled number of hours of all Dexus employees as recorded at 30 June 2021. Dexus offers employees flexible work arrangements and staff are employed under individual contracts that stipulate 38 hours per week for each full-time employee. As Dexus does not track employee working hours and staff do not engage in overtime or shift work, Dexus has defined the 'number of hours worked' as 1824 hours per annum (equal to 240 days x 7.6 hours) per full-time employee.</p>
Percentage of female employees	<p>The percentage of female full time equivalent workers employed is calculated as follows:</p> $\text{Female employees (\%)} = \frac{\text{number of female full time equivalent workers}}{\text{total number of full time equivalent workers}}$ <p>Where:</p> <p>Number of full-time equivalent workers – as defined above</p> <p>Number of female full time equivalent workers – A subset of the number of full time equivalent workers defined above who identify themselves as female</p>
Percentage of females in senior management	<p>'Senior Management team' includes <i>executive management and senior management positions</i> within the Dexus workforce.</p> <p>Where:</p> <p>Executive management and senior management positions include Dexus employees whose role is mapped to one of the following four occupational categories: 'CEO/head of business', 'KMP (key management personnel)', 'other executives/general managers', and 'senior managers', as outlined within worker classification guidance <i>Standardised occupational categories of managers: February 2018</i> published by the Australian Government's Workplace Gender Equality Agency (WGEA). Refer to: https://www.wgea.gov.au/sites/default/files/standardised-categories-managers.pdf</p> <p>The percentage of females in senior management is calculated as follows:</p> $\text{Females in senior management (\%)} = \frac{\text{number of female senior managers}}{\text{total number of senior managers}}$ <p>Where:</p> <p>Number of senior managers – A subset of the total number of workers with a 'Senior Management team' corporate title as defined above</p> <p>Number of female workers – A subset of the number of senior managers defined above who identify themselves as female</p>
Percentage of female non-executive directors	<p>The percentage of female non-executive directors is calculated as follows:</p> $\text{Female non executive directors (\%)} = \frac{\text{number of female non executive directors}}{\text{total number of non executive directors}}$ <p>Where:</p> <p>Number of non-executive directors – The total number of non-executive directors of Dexus Holdings Limited as recorded at 30 June 2021</p> <p>Number of female non-executive directors – A subset of the number of non-executive directors defined above who identify themselves as female</p>
Absentee Rate	<p>Absentee Rate (AR) – the number of sick leave and carers leave days per full time equivalent workers employed is calculated as follows:</p> $AR = \frac{\text{number of Sick and Carers leave days}}{\text{number of full time equivalent employees}}$ <p>Where:</p> <p>Number of full-time equivalent employees – as defined above</p>
Work health & safety definitions	<p>Work health and safety (WH&S) incidents account for all recorded incidents pertaining to Dexus employees and includes contractors employed directly by Dexus. All reported incidents in FY21 related to personal injury.</p> <p>The system of rules applied in recording and reporting accident statistics include <i>Australian Standard 1885.1 1990</i>, Workplace injury and disease recording standard as</p>

	<p>well as definitions within disclosure 403-2 and 403-9 from <i>GRI 403: Occupational Health and Safety 2018</i>, from the Global Reporting Initiative (GRI) Standards.</p> <p>No lost-time injuries/diseases – Those occurrences which were not lost-time injuries/diseases and for which first aid and/or medical treatment was administered</p> <p>Lost-time injuries/diseases – A work-related injury or disease (including a permanent disability or a fatality) that results in one or more days absent from work (not including the day of injury) and is supported by a workers compensation certificate.</p> <p>Occupational disease – A disease arising from the work situation or activity (such as stress or regular exposure to harmful chemicals), or from a work-related injury</p> <p>Fatalities – Fatalities that occur due to an injury or disease occurrence arising from the work situation or activity</p>
Lost Time Injury Frequency Rate (LTIFR)	<p>Lost Time Injury Frequency Rate (LTIFR) - the number of occurrences of injury or disease for each one million hours worked is calculated as follows:</p> $LTIFR = \frac{\text{number of lost time injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$ <p>Where:</p> <p>Number of lost time injuries/diseases – the number of lost-time injuries/diseases recorded during the reporting period as defined above</p> <p>Number of hours worked in the period – as defined above</p>
Fatalities Rate	<p>Fatalities Rate (FR) - the rate of fatalities due to work-related injury is calculated as follows:</p> $FR = \frac{\text{number of fatalities}}{\text{number of hours worked}} \times 1,000,000$

13 August 2021

Directory

Dexus Property Trust

ARSN 648 526 470

Dexus Diversified Trust

ARSN 089 324 541

Dexus Industrial Trust

ARSN 090 879 137

Dexus Office Trust

ARSN 090 768 531

Dexus Operations Trust

ARSN 110 521 223

Responsible Entity**Dexus Funds Management Limited**

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AFSL 238163

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Patrick Allaway

Penny Bingham-Hall

Tonianne Dwyer

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Open Monday to Friday between
8.30am and 5.30pm (Sydney time). For
enquiries regarding security holdings,
contact the security registry, or access
security holding details at
www.dexus.com/investor-centre

Australian Securities Exchange

ASX Code: DXS

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LinkedIn and Facebook



dexus.com

