

## SUSTAINABLE DEVELOPMENT GOALS

# Charter Hall and Alignment with the UN Sustainable Development Goals (SDGs)




2021




The SDGs are a blueprint to achieve a better and more sustainable future by 2030.



These goals address global challenges, including poverty, inequality, climate change, environmental degradation, peace and justice. They are part of a UN Resolution called 'The 2030 Agenda'. Australia was one of 193 countries that adopted this Agenda in September 2015.

Achieving these goals will require a 'whole of Australia' effort. While the government has a role to play, so do the various business and industry sectors in Australia, including the property sector. As a supplement to our 2021 Sustainability Report, this document outlines how we align our sustainability goals, responses and targets to the SDGs.






Key goals	Focus	Commitments	Challenges	FY21 progress
 <p><b>1 NO POVERTY</b></p>	<p><b>1.5 By 2030, build the resilience of the poor and those in vulnerable.</b></p>	<p><b>Partnerships:</b> Through partnership, deliver positive impacts for the communities in which we operate.</p>	<ul style="list-style-type: none"> <li>– Australia has the 16th highest poverty rate out of the 34 wealthiest countries in the OECD – higher than the average for the OECD. People living in poverty in Australia often miss out on essentials such as food or a roof over their heads. In 2020, there were 3.24 million people (13.6%) living below the poverty line across Australia.</li> </ul>	<ul style="list-style-type: none"> <li>– Donated \$739,000 to social enterprises and charitable organisations.</li> <li>– Provided &gt;41,000sqm of space, valued at over \$1.8 million, to community groups.</li> <li>– 35% of our employees volunteered a total of 1,200 hours in the communities, in a year impacted by COVID-19 restrictions.</li> <li>– Partnered with Foodbank NSW to provide \$75,000 in funding emergency food hampers for Australian families doing it tough due to COVID-19 restrictions, effectively feeding 7,500 homes for a week.</li> </ul>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p>	<p><b>3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing.</b></p> <p><b>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</b></p>	<p><b>Health, safety and well-being:</b> Creating a culture that fosters the well-being and resilience of our employees and customers.</p>	<ul style="list-style-type: none"> <li>– In Australia, 98% of health care spending goes directly into treatment and services. With less than 2% on prevention.</li> <li>– Health and wellbeing in the build environment is a form of preventive healthcare, due to the time we spend indoors (the average Australian will live to 82 years, 72 of these will be spent indoors).</li> <li>– According to the National Survey of Mental Health and Wellbeing conducted in 2007, 1 in 5 Australian workers experience a mental health condition in any year. Mental health conditions cost Australian workplaces \$10.9billion per year.</li> </ul>	<ul style="list-style-type: none"> <li>– We were recognised by the International WELL Building Institute (IWBI) as being part of a small group of global leaders in the adoption of the WELL Portfolio Rating measuring and advancing human health and wellness in buildings.</li> <li>– WELL Portfolio, achieving a rating across more than 900,000sqm of office space, benefiting more than 38,000 tenant customers.</li> <li>– We achieved our FY25 target of WELL Portfolio accreditation for all Charter Hall workplaces.</li> <li>– We achieved a 4.4 Star NABERS Indoor Environment weighted average rating for the Office portfolio.</li> <li>– We recorded a lost time injury and lost time injury frequency rate of zero. As well as total recordable injury frequency rate of 1.11.</li> <li>– 83% of our employees agree we promote a healthy work environment, 18% above the Australian norm.</li> <li>– 35% of our Victorian team used the extra 10 days of leave provided for employees to home school during COVID-19 lockdowns in 2020.</li> <li>– We formed a community partnership with Healthy Heads in Trucks and Sheds (HHTS) to promote prevention and understanding of mental health issues in the road transportation and logistics industries. The Foundation aims to build a safe, healthy, and thriving environment for truck drivers, distribution centre and warehouse employees, and other road transport industry members.</li> <li>– Equipping people to adapt: In terms of nurturing well-being, providing our people with the resources and tools they need to approach each day with confidence and safely adapt to new working conditions has been crucial in helping those we care about better navigate uncertainty. This year, we partnered with the Black Dog Institute 'Managing for Team Well-being' sessions, focusing on skills to identify and address mental health challenges.</li> </ul>
 <p><b>4 QUALITY EDUCATION</b></p>	<p><b>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development.</b></p>	<p><b>Responsible Business:</b> Our sustained focus on our operational practices, sustainable supply chain and ethical behaviour across our business for all stakeholders, including local communities, tenants, employees, securityholders and suppliers.</p> <p><b>Business ethics and compliance:</b> Conducting business activities in line with the highest ethical standards, as well as complying with all relevant regulations.</p> <p><b>Responsible and sustainable supply chain:</b> Creating an integrated sustainable supply chain strategy and ensuring delivery on UNGC commitment.</p>	<ul style="list-style-type: none"> <li>– Good governance and risk practices are based on ethical behaviour, due diligence, leadership by example and a values-driven culture. It is crucial that these policies and practices are adequately communicated and understood across an organisation.</li> <li>– Our supply chain is diverse, involving multiple partnerships including with cleaning contractors, security personnel, facilities management staff, construction labour hire and offshore suppliers. Many of these arrangements are susceptible to modern slavery.</li> <li>– Youth unemployment continues to persist globally and locally, reaching up to 22.4% in some Australian communities. There are many causes for this, including a depressed labour market for young people, and limited entry level jobs and apprenticeships.</li> </ul>	<ul style="list-style-type: none"> <li>– All our people received training on governance and risk management policies, including our Code of Conduct.</li> <li>– All employees received modern slavery refresher training, including the process of reporting issues or suspect modern slavery in our operations or supply chains.</li> <li>– Continued to communicate with our suppliers on human rights and their responsibilities and provided further education resources.</li> <li>– Supported 11 youths to receive employment training at Kick Start cafes in NSW. Our support saw &gt;4,500 hours of trainee hours worked. Since our partnership began, 12 trainees have graduated from the program.</li> </ul>

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<div>5</div> <div>GENDER EQUALITY</div> <div></div>	<p><b>5.2 Eliminate all forms of violence against all women and girls in the public and private spheres.</b></p> <p><b>5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.</b></p>	<p><b>Employee:</b> Creating a diverse and inclusive culture and environment within our own community.</p>	<ul style="list-style-type: none"><li>– In Australia, domestic and family violence is disturbingly common and one of the main factors that trigger homelessness among vulnerable women, children and men. Although 98% of Australians recognise violence against women and children is a crime, the rates of domestic and family violence remain high.</li><li>– With only 25.9% of senior Australian property leadership positions held by women, only 28% of women believe that they will achieve their desired level of progress, versus 51% of men.</li></ul>	<ul style="list-style-type: none"><li>– Worked with Two Good Co to create jobs for survivors of domestic violence and supplies for shelters in Australia.</li><li>– Achieved WGEA Employer of Choice for Gender Equality citation.</li><li>– Achieved 33% female participation on the CHC Board, 29% in senior management positions, and 55% across the workplace.</li><li>– Charter Hall Managing Director &amp; CEO David Harrison is part of the Male Champions of Change Coalition at the Property Council of Australia.</li></ul>
<div>6</div> <div>CLEAN WATER AND SANITATION</div> <div></div>	<p><b>6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all.</b></p> <p><b>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials.</b></p> <p><b>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater.</b></p>	<p><b>Water:</b> Increasing water efficiency across our operations.</p>	<ul style="list-style-type: none"><li>– We live in the world’s driest inhabited continent. Most of Australia receives only 600mm of rain annually, well below the global average, and predictions suggest this could reduce by 50% in the decades ahead due to climate change impacts.</li></ul>	<ul style="list-style-type: none"><li>– Exceeded our FY25/30 NABERS Water targets early by achieving 4.6 Star NABERS Water weighted average rating for Office portfolio; and 4.0 Star NABERS Water weighted average for Retail sites &gt;15,000sqm.</li></ul>
<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div></div>	<p><b>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services.</b></p> <p><b>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</b></p>	<p><b>Energy efficiency and renewables:</b> Increasing energy efficiency and use of renewable energy across our operations and developments.</p>	<ul style="list-style-type: none"><li>– A major energy transition is underway in Australia, driven by progressive retirement of coal-fired power stations, falling costs for solar, wind and battery storage, changing consumer demand and new technologies. Addressing climate change also needs an urgent transition to renewable power.</li><li>– 58% of the ASX100 have net zero carbon targets by 2050. Australian corporates are now establishing 100% renewables commitments as part of these targets.</li></ul>	<ul style="list-style-type: none"><li>– Completed our renewable energy strategy ahead of target.</li><li>– Will be 100% powered by renewables by 2025. We have procured 100% offsite renewable electricity for our Industrial &amp; Logistics portfolio, and pleasingly from 1 July 2021, this has also been achieved across our entire Office Portfolio.</li><li>– Installed 41MW Solar PV with the potential to generate 58.9GWh of electricity (equivalent to powering 8,305 homes).</li><li>– Applying an established Net Zero Carbon Commitment for Scope 1 and Scope 2 by 2030. We believe onsite solar and renewables procurement will be key in creating value add partnerships with tenant customers moving forward.</li></ul>

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<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	<b>8.8 Protect labour rights and promote safe and secure working environments for all workers.</b>	<b>Responsible Business:</b> Our sustained focus on our operational practices, sustainable supply chain and ethical behaviour across our business for all stakeholders, including local communities, tenants, employees, securityholders and suppliers.	<ul style="list-style-type: none"><li>– Workplace health and safety is a critical issue for every business. Australia's national and state WHS legislation requires commercial property owners and managers to take all reasonable steps to ensure buildings are safe for tenants, the public, customers and contractors.</li><li>– The global property and construction sector accounts for an estimated 18% of modern slavery victims, despite it only having 7% of the global workforce.</li></ul>	<ul style="list-style-type: none"><li>– All Charter Hall Offices achieved WELL portfolio certification, measuring the health and wellbeing of our office spaces.</li><li>– Reviewed our standard agreements, processes and guidelines to integrate our actions on human rights and modern slavery.</li><li>– Finalised our Modern Slavery Statement in accordance with the Australian Modern Slavery Act 2018.</li><li>– Signatory to the UN Global Compact, and we are a member of the Cleaning Accountability Framework (CAF), which addresses potential modern slavery issues in the cleaning industry.</li><li>– Required our suppliers and contractors to read and sign our Supplier Code of Conduct.</li><li>– Applied a human rights and modern slavery risk matrix to almost 4,000 of our suppliers.</li><li>– Continued to identify those suppliers needing to complete the modern slavery pre-qualification, with a focus on suppliers in the industries that pose the greatest potential risk.</li><li>– Established state-based partnerships with four social enterprises to support employment for vulnerable youth. These partnerships will enable over 100 employment opportunities per year, increasing to 1,200 youth employment outcomes by 2030.</li><li>– Supported our tenants during the current pandemic with rent relief, hygiene initiatives, adaptation of digital engagement and support with returning to the workplace.</li><li>– Recorded a lost time injury and lost time injury frequency rate of zero, and a total recordable injury frequency rate of 1.11.</li><li>– Undertook scoring relating to our business ethics, and management's approach to compliance and ethical business practice and our social license to operate.</li><li>– Implemented a Risk and Compliance system to automate advice on changes in legislation and regulation.</li></ul>
	<b>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people.</b>	<b>Health, safety and wellbeing:</b> Creating a culture that fosters the well-being and resilience of our employees and customers.		
<div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>	<b>10.2 By 2030, empower and promote the social, economic and political inclusion of all.</b>	<b>Employee:</b> Creating a diverse and inclusive culture and environment.	<ul style="list-style-type: none"><li>– Social inclusion is a crucial factor in lifting Australia's living standards through greater productivity in the workplace, enhancing employment and health outcomes, reducing the need for social services and leveraging improved economic growth across society. A recent study found that if social inclusion can be better harnessed, it could amount to a \$12.7 billion annual increase in Australia's economy.</li></ul>	<ul style="list-style-type: none"><li>– Continued to grow our LGBT+ network of allies and to improve our ranking in the Australian Workplace Equality Index.</li><li>– Submitted our inaugural Reconciliation Action Plan (RAP) for review with Reconciliation Australia, to be launched in early FY22.</li><li>– Partnered with indigenous author Maree Yoelu (McCarthy) and local schools across our Retail communities to create a children's storybook, 'Dancing for Country', in celebration offer NAIDOC Week.</li><li>– Celebrated First Nations history and cultures with art activations across at a range of our Retail and Office assets including No.1 Martin Place, NSW; 130 Lonsdale Street, Vic; Raine Square, WA; and GPO Exchange, SA.</li><li>– Partnered with local WA indigenous group Blak Lash, to design digital acknowledgment of country for lift screens at our Office properties.</li><li>– Included smoking ceremonies and Welcome to Country for each new Office development.</li></ul>
	<b>10.3 Ensure equal opportunity and reduce inequalities of outcome.</b>	<b>Strong Communities:</b> Supporting social inclusion through employment for vulnerable young Australians, which contributes to the strength of local communities where we operate.		



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<div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div></div>	<b>11.1</b> By 2030, ensure access for all to adequate, safe and affordable housing and basic services.	<b>Strong Communities:</b> Committed to building strong, inclusive communities and creating employment opportunities. Embedding a culture of openness, alongside a safe, equitable and inclusive environment for our employees, partners, customers and communities.	<ul style="list-style-type: none"><li>– Australian cities and communities are undergoing a significant period of transformation. The changes to these cities and communities will significantly influence the achievement of the Sustainable Development Goals. It is therefore essential that thought leadership and industry wide knowledge is harnessed to influence decisions on urban transformation.</li></ul>	<ul style="list-style-type: none"><li>– Use independent, third-party building rating tools to measure ESG criteria of new developments and portfolios of assets.</li></ul>	
	<b>11.3</b> By 2030, enhance inclusive and sustainable urbanization.	<b>Responsible Investment:</b> Integrating ESG considerations into investment decisions to ensure sustainable growth and returns.	<ul style="list-style-type: none"><li>– The Global Status Report 2017, from the Global Alliance for Buildings and Construction, finds that the sector continues to grow. In 2016, total floor area reached an estimated 235 billion square metres. Over the next 40 years, 230 billion square metres of additional buildings will be constructed – the equivalent of adding the floor area of Japan to the planet every single year to 2060. This growth in urbanisation requires low carbon technology innovation in terms of asset creation, as well as operation of buildings once complete.</li></ul>	<ul style="list-style-type: none"><li>– Successfully involved the local community in the development of Wesley Place, Vic through the community reference group, contributing to the sense of place.</li></ul>	
	<b>11.4</b> Strengthen efforts to protect and safeguard the world’s cultural and natural heritage.			<ul style="list-style-type: none"><li>– Launched ‘ReCharge’, our Office workplace wellness program that brings premium lifestyle amenities, health seminars, wellness services and activations to tenant customers.</li><li>– Extended our award-winning customer experience program, ‘Charli’, to connect over 15,000 users and 860,000sqm of workspace across 32 Office buildings nationally.</li><li>– Helped to drive community creation through collaborative initiatives with other building tenants and the surrounding communities.</li><li>– Ongoing support for our retail tenant customers and communities impacted by COVID-19 including rent relief, safety initiatives and adapting to digital engagement.</li><li>– Delivered 16 local community initiatives in our retail centres including Quiet Hour (enhancing the shopping experience for people with sensory disabilities), Home Tweet Home (raising funds for injured wildlife) and donating care packs through our ongoing partnership with Two Good.</li><li>– Continued to sponsor the Property Industry Fund which provides national support to homeless and under privileged youth. The money raised goes towards building housing for disadvantaged young people and supporting over 20 children’s charities, many of which we also support individually and through our development projects.</li></ul>	
<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	<b>12.2</b> By 2030, achieve the sustainable management and efficient use of natural resources.	<b>Waste:</b> Minimising the generation of waste and increasing recycling.	<ul style="list-style-type: none"><li>– Over the last 25 years, Australians have sent more than 21Mt of waste to landfill annually, according to the Department of the Environment and Energy National Waste Report 2018. Despite our best recycling efforts, this volume is expected to continue due to growth in waste generation driven by increased per capita consumption and population growth.</li></ul>	<ul style="list-style-type: none"><li>– Diverted 31% of waste from landfill from Office sector and 40% of waste from landfill from Retail sector.</li></ul>	
	<b>12.7</b> Promote public procurement practices that are sustainable.			<ul style="list-style-type: none"><li>– Increased our organics waste stream to include over 60% of our Office assets, and piloted anaerobic digestion systems at select Retail sites.</li><li>– Implemented waste management plans at all sites.</li></ul>	
<div>13</div> <div>CLIMATE ACTION</div> <div></div>	<b>13.1</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	<b>Carbon:</b> Reducing greenhouse gas emissions across our operations and developments.  <b>Physical adaptation:</b> Building resilience for our business, properties and communities, against the physical impacts of climate change.	<ul style="list-style-type: none"><li>– International Energy Agency (IEA) estimates that direct building CO2 emissions need, by 2030, to fall by 50 per cent and indirect building sector emissions by 60 per cent to get on track to net zero carbon building stock by 2050. This equates to building sector emissions falling by around 6 per cent per year until 2030, close to the 7 per cent decrease in 2020 global energy sector CO2 emissions due to the pandemic.</li><li>– Globally, the built environment is responsible for 39% of greenhouse gas emissions linked to construction, operations and demolition.</li><li>– In Australia, the built environment is responsible for 25% of total emissions. Effective reduction of emissions must consider the whole lifecycle of buildings. Sustainable building requires building strategies that use less resources and produce less pollution. Improving the urban landscape must address the sustainability of its components – including buildings; transport, amenities, social fabric and culture.</li></ul>	<ul style="list-style-type: none"><li>– Achieved 19% reduction in our emission intensity (Scope 1 and 2) since FY17, despite a 43% increase in area over that time.</li></ul>	
	<b>13.2</b> Integrate climate change measures into national policies, strategies and planning.				<ul style="list-style-type: none"><li>– Became a signatory to the WGBC Net Zero Carbon Commitment.</li><li>– Signed an agreement to pursue local nature-based carbon offsets with social co-benefits.</li></ul>
	<b>11.6</b> By 2030, reduce the adverse per capita environmental impact of cities.				<ul style="list-style-type: none"><li>– Exceeded our FY25 NABERS Energy targets early by achieving: 5.0 Star NABERS Energy weighted average rating for Office portfolio; and 4.6 Star NABERS Energy weighted average for Retail sites &gt;15,000sqm.</li><li>– Completed Climate Change Adaption Plans (CCAP) for 70% of the Industrial &amp; Logistics portfolio and commenced planning for the Office and Retail portfolios.</li><li>– We have established Net Zero enablement pathways for two commercial office assets, 60 King William and 480 Swan Street which, when completed, will be all electric buildings (fossil fuel free) and powered by 100% renewables.</li><li>– Commenced work on our approach to CCAP for our Social Infrastructure portfolio during FY21, Long WALE Retail planned for FY22.</li><li>– Recognised for our work in climate reporting by the PRI Leaders Group for climate related disclosure, and GRESB Industrial Global Development Leader for our industrial fund, CPIF.</li><li>– Completed physical risk assessments portfolio-wide.</li><li>– Aimed to ensure that all Office, Retail and Industrial &amp; Logistics assets have CCAP and are incorporated into Strategic Asset Plans by FY25.</li></ul>

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