

Dexus (ASX: DXS)

ASX release



17 August 2022

2022 Sustainability Report

Dexus releases its 2022 Sustainability Report, which includes the:

- Sustainability Performance Pack
- Sustainability Data Appendix
- Sustainability Approach and Procedures
- GRI Content Index
- Sustainability Assurance Statement

This report should be read in conjunction with Dexus's 2022 Annual Report.

Authorised by the Board of Dexus Funds Management Limited

For further information please contact:

Investors

Rowena Causley
Head of Listed Investor Relations
+61 2 9017 1390
+61 416 122 383
rowena.causley@dexus.com

Media

Louise Murray
Senior Manager, Corporate Communications
+61 2 9017 1446
+61 403 260 754
louise.murray@dexus.com

About Dexus

Dexus (ASX: DXS) is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$44.3 billion. We believe that the strength and quality of our relationships will always be central to our success and are deeply committed to working with our customers to provide spaces that engage and inspire. We invest only in Australia, and directly own \$18.4 billion of office, industrial and healthcare properties, and investments. We manage a further \$25.9 billion of office, retail, industrial and healthcare properties for third party clients. The group's \$17.7 billion development pipeline provides the opportunity to grow both portfolios and enhance future returns. Sustainability is integrated across our business, and our sustainability approach is the lens we use to manage emerging ESG risks and opportunities for all our stakeholders. Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange and is supported by more than 29,000 investors from 24 countries. 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.

www.dexus.com

Dexus Funds Management Ltd ABN 24 060 920 783, AFSL 238163, as Responsible Entity for Dexus (ASX: DXS)
Level 25, 264 George Street, Sydney NSW 2000

Sustainability Report 2022

dexus

Creating spaces where people thrive



Sustainability Performance Pack 2

ESG reporting that supports the results outlined in the 2022 Annual Report.

Sustainability Data Appendix 44

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

Management Approach and Procedures 84

The policies, procedures and practices that underpin our approach to ESG.

GRI Content Index 156

Content index supporting the alignment of the 2022 Annual Reporting Suite with the GRI Standards.

Sustainability Assurance Statement 182

Documents on the assurance over select environmental and social data.

About Dexus

Dexus is one of Australia's leading fully integrated real estate groups, managing a high-quality Australian property portfolio valued at \$44.3 billion.

Dexus is a Top 50 entity by market capitalisation listed on the Australian Securities Exchange (trading code: DXS) and is supported by more than 29,000 investors from 24 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 our investors. We invest in Australia, and directly own \$18.4 billion office, industrial and healthcare properties and investments.

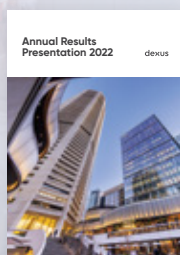
We manage a further \$25.9 billion of office, retail, industrial and healthcare properties in our funds management business which provides third party capital with exposure to quality sector specific and diversified real estate investment products. The funds within this business have a strong track record of delivering outperformance and benefit from Dexus's capabilities. The group's \$17.7 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.

Dexus 2022 Annual Reporting suite



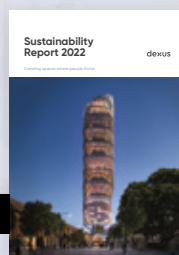
Annual Report 2022



Annual Results Presentation 2022



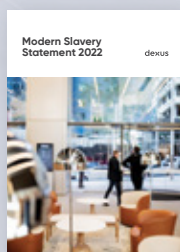
Financial Statements 2022



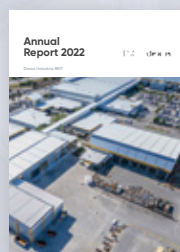
Sustainability Report 2022



Corporate Governance Statement 2022



Modern Slavery Statement 2022



DXI Annual Report 2022



DXC Annual Report 2022

Dexus presents its Annual Reporting Suite for the year ended 30 June 2022 available at www.dexus.com/investor-centre. The 2022 Annual Reporting Suite is available in hard copy by email request to ir@dexus.com or by calling +61 1800 819 675.

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.



Dexus acknowledges the Traditional Custodians of the lands on which our business and assets operate, and recognises their ongoing contribution to land, waters and community. We pay our respects to First Nations Elders past, present and emerging.

Artwork

Artist

Amy Allerton, Indigico Creative, a Gumbaynggirr, Bundjalung and Gamilaraay woman

Artwork

The Places Where We Thrive

Artwork description

The artwork tells the story of a vision for our communities, both large and small, where they are all thriving and strong as they build lives, homes and legacies for present and future generations. Every community is connected by spirit and by country, surrounded by flourishing waterways and vibrant land that is enriched and cared for by its people. Communities are empowered to find new ways to build and expand, as they dream and innovate to create the places where we thrive.





Sustainability Performance pack

The Sustainability Performance Pack demonstrates how we have applied the Dexus Sustainability Approach to create value for our stakeholders in FY22.



Sustained Value

Superior long-term performance for our investors and third party capital partners, supported by an integrated approach to ESG within our business model.

→ Pages 10-15

Sustainability at Dexus

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

→ Pages 4-5



Leading Cities

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

→ Pages 16-19



Thriving People

An engaged, capable and high-performing workforce, within an inclusive environment, that delivers on our strategy.

→ Pages 20-25



Future Enabled Customers and Strong Communities

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

→ Pages 26-33



Enriched Environment

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

→ Pages 34-43

Sustainability at Dexus

Our Sustainability Report describes our application of the Dexus Sustainability Approach from 1 July 2021 through to 30 June 2022.

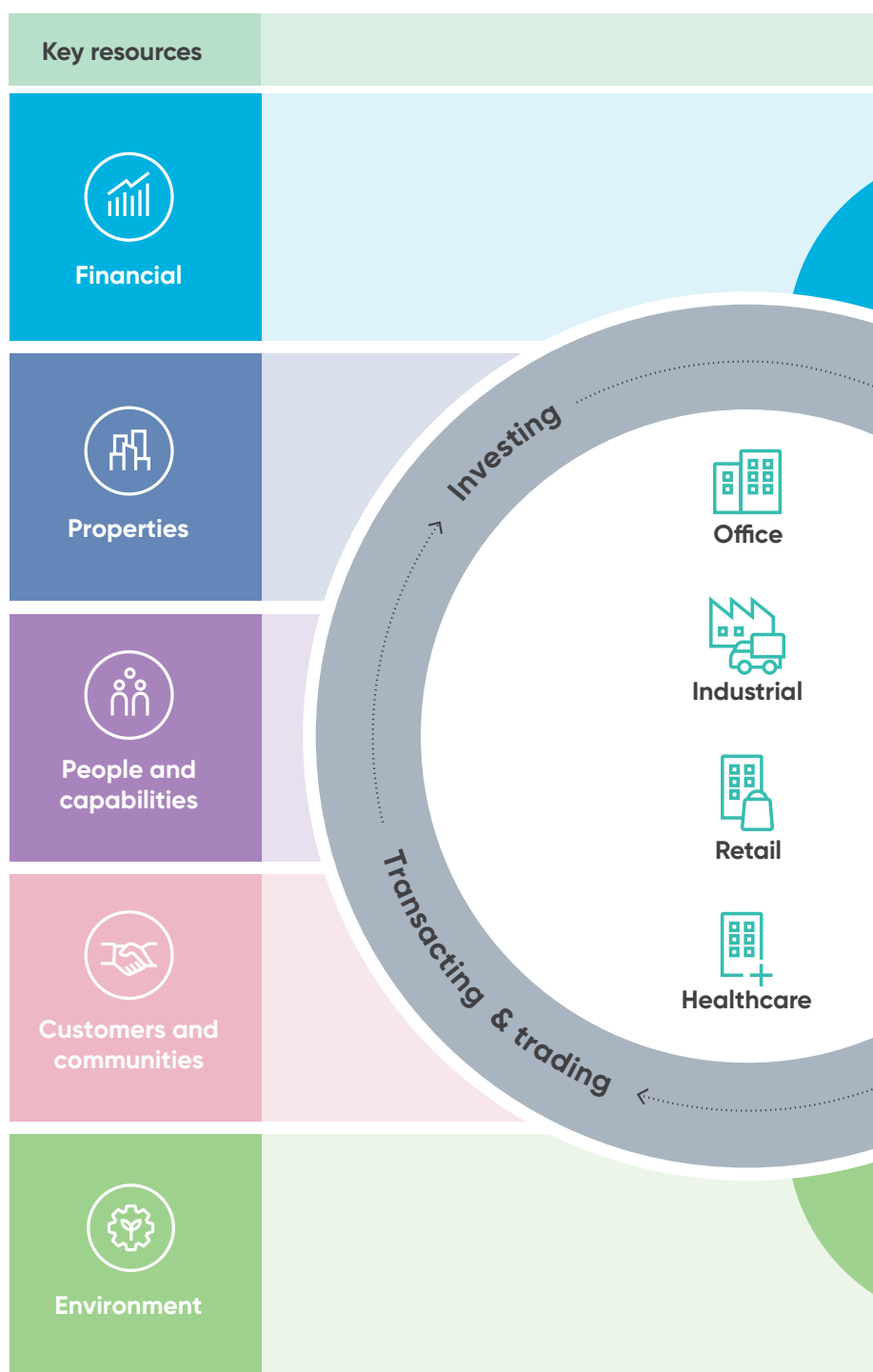
The Dexus Sustainability Approach informs how we create long-term value through understanding and addressing environmental, social and governance (ESG) issues that are relevant to our operations.

In recognition of the importance of ESG 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 2022 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 2022 Sustainability Report comprises several components:

- **Sustainability Performance Pack**, which expands on the performance highlights within the 2022 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
- **Management Approach and Procedures**, which describe the policies and procedures that underpin each of the objectives of our approach to ESG

Readers interested in our alignment with the ASX Corporate Governance Principles and Recommendations should refer to the 2022 Corporate Governance Statement.

Value creation framework



Dexus Sustainability Approach	Value creation outcomes	Value drivers
	Sustained Value Superior long-term performance for our investors and third party capital partners, supported by an integrated approach to ESG within our business model → Pages 10–15	• Financial performance • Capital management • Corporate governance
	Leading Cities A high-quality portfolio that contributes to economic prosperity and supports sustainable urban development across Australia's key cities → Pages 16–19	• Portfolio scale and occupancy • Economic contribution • Development pipeline • Industry collaboration
	Thriving People An engaged, capable and high-performing workforce, within an inclusive environment, that delivers on our strategy → Pages 20–25	• Employee engagement • Inclusion and diversity • Health, safety and wellbeing
	Future Enabled Customers and Strong Communities A strong network of value chain partners (customers, communities and suppliers) who support and are positively impacted by Dexus → Pages 26–33	• Customer experience • Community contribution • Supply chain focus
	Enriched Environment An efficient and resilient portfolio that minimises our environmental footprint and is positioned to thrive in a climate-affected future → Pages 34–43	• Resource efficiency • Climate resilience • Green buildings

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, their impacts on society and the broader environment.

Dexus has completed regular materiality assessments since 2011 to inform our approach to ESG 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 2022, we conducted 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 ESG 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.

Our most recent materiality assessment identified nine material topics grouped within six megatrends. The 2022 management review of these material issues confirmed all nine topics remain a priority for stakeholders, and five of which saw increased emphasis in 2022.

These material topics help structure our reporting and are a major consideration for how we evolve our approach to ESG 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 2022 Sustainability Report

The following table summarises how the nine material topics are linked to key megatrends and value drivers in Dexus's value creation framework (pages 4-5) and topic-specific disclosures in the 2022 Sustainability Report.

Megatrend	Material topic		Value drivers	GRI topic-specific disclosures
Growth in sustainable investment	Upholding a social license to operate by meeting stakeholder expectations for ESG performance	●	- Corporate governance - Green buildings - Climate resilience - Community and supply chain partnerships	- GRI 103 Management Approach - GRI 204 Procurement Practice - 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
Growth in pension capital fund flows	Ensuring high standards of corporate governance and transparency	●	Corporate governance	- GRI 103 Management Approach - GRI 102 Ethics and Integrity - GRI 102 Governance - GRI 102 Stakeholder Engagement - 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
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
Social and demographic	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
	Supporting the transition to a low carbon economy through decarbonisation	●	Resource efficiency	- GRI 103 Management Approach - GRI 305 Emissions
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

● Unchanged ● Increased emphasis in 2022

Dexus reports in accordance with the GRI Standards (Core) reporting guidelines. The 2022 GRI Index (page 171) provides a comprehensive reference specifying the disclosure of material topics across our 2022 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 Dexus Sustainability Approach is the foundation that we use to effectively manage emerging ESG risks, opportunities and create long-term value.

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

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, 'To create spaces where people thrive', articulates our reason for being in business. Our purpose works alongside the Dexus Sustainability Approach to inspire our people to create thriving spaces that have a positive impact on our stakeholders.

Managing risk

A prudent and robust approach to risk management is an essential part of our ongoing success. There are various risks that could impact the execution of our strategy and outlook, and the nature and potential impact of these risks can change over time. We actively review and manage 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 selected environmental and social data metrics within the 2022 Dexus Annual Reporting Suite.

Limited assurance has been obtained for the 12 months to 30 June 2022. The Assurance Statement, and associated reporting criteria documents are available at page 182.

Boundary terms

In this 2022 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
- 'Dexus Industria REIT (DXI)' relates specifically to the portfolio of properties in the ASX listed entity
- 'Dexus Convenience Retail REIT (DXC)' 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 2022. All dollar figures are expressed in Australian dollars unless otherwise stated

Our Sustainability Approach is the lens through which we use to effectively manage emerging ESG risks, opportunities and create long-term value.

LEARN MORE

For further information on Dexus's risk management framework refer to the 2022 Annual Report and the 2022 Corporate Governance Statement.

Aligning with global goals

As a signatory to the UN Global Compact (UNGC), we are committed to upholding the UNGC's ten principles and 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 Organisation'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. Our approach to aligning with the UN Sustainable Development Goals has involved reviewing and prioritising the 17 SDGs to identify those that Dexus can most contribute towards through our core business activities. As a result, Dexus has prioritised four SDGs and aligned with specific targets under each of the Goals to drive more targeted delivery and positive impact.

Our priority SDGs and targets are aligned with the Dexus Sustainability Approach. Dexus's adoption of specific goals and targets rather than broader corporate alignment was informed by The SASB Real Estate Sustainability Accounting Standards, which specify ESG topics considered to be material for real estate. 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



Enriched Environment



Target 7.2

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

Leading Cities



Thriving People



Future Enabled Customers and Strong Communities



Target 11.6

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

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.

Enriched Environment



Target 12.2

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

Target 12.5

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

Sustained Value



Enriched Environment



Target 13.1

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

How we are creating Sustained Value



\$1,615.9_m

Net profit after tax
FY21: \$1,138.4m

\$81.7_m

Management operations FFO
FY21: 57.7m

53.2cents

Adjusted Funds from Operations
and Distribution per security
FY21: 51.8 cents

9.7%

Return on Contributed Equity
FY21: 8.3%



Sustained Value

Our approach to ESG is aligned with our overarching goal of delivering Sustained Value.

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

Our 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 owner, manager and developer
- **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 the Dexu 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 across our other Dexu 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, capable and high-performing workforce, within an inclusive environment, that delivers 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

Sustained Value performance



Financial performance

Our goal is to deliver superior long-term performance for our investors and third party capital partners.

Progress against commitments

- **Achieved our commitment to deliver distribution per security growth of not less than 2% for the 12 months ending 30 June 2022.**

Dexus achieved 2.7% growth in distributions per security for the 12 months ending 30 June 2022 (53.2 cents). This result was above our initial market guidance for distribution growth of not less than 2% which was upgraded in the second half to growth of not less than 2.5%.

- **Achieved our commitment to maintain a strong balance sheet while further diversifying debt.**

We maintained a strong and conservative balance sheet with gearing (look-through)¹ at 26.9%, within our target range of 30-40%, while maintaining conservative debt maturities and hedging levels. Refer to page 39 in Dexus's 2022 Annual Report for more information.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

AMP Capital acquisition

In FY22, Dexus announced that it entered into an agreement with AMP to acquire AMP Capital's real estate and domestic infrastructure equity business, with up to \$21.1 billion² of funds under management. This transaction is expected to complete in the second half of the 2022 calendar year and further solidifies Dexus as a leading real asset manager, with new capabilities and an expanded product offering underpinned by a best practice governance and risk management framework.

- 1 Excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of co-investments in pooled funds is 27.8% as at 30 June 2022.
- 2 Based on AMP Capital's FUM as at 30 June 2022 net of the known transition of circa \$10 billion of FUM from AMP Capital's platform.



COMMITMENTS

- Based on current expectations regarding interest rates, continued asset sales and barring unforeseen circumstances, Dexus expects distributions of 50.0-51.5 cents per security for the 12 months ended 30 June 2023¹, below the 53.2 cents per security delivered in FY22
- Maintain a strong and diversified balance sheet

Focus areas

- Maintaining leadership in ESG benchmarks

- 1 Assumes average floating rates of 2.75%-3.75% (90-day BBSW), the transition of circa \$21 billion of FUM from the acquisition of the AMP Capital real estate and domestic infrastructure equity platform and circa \$50-\$55 million of trading profits (post-tax).

Strong corporate governance

Our corporate governance framework integrates ESG across the breadth and depth of Dexus. We regularly review and update our policies and procedures to ensure our organisation adapts to shifting risks and opportunities.

The Board ESG Committee considers the material ESG issues relevant to the group and supports us to maintain our position as a global leader in ESG performance.

The Board ESG Committee supports the Board in:

- Understanding the expectations of our key stakeholders
- Understanding how our 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 during the year engaged with Dexus management teams on a range of ESG topics, including:

- Harnessing technology and innovation to improve customer experience such as the air filtration pilot at One Margaret Street, Sydney (page 28)
- Supporting the wellbeing of our people and customers through implementing initiatives aligned to Dexus's corporate partnership with the Black Dog Institute (page 30)
- Launching and progressing our Reflect Reconciliation Action Plan (page 31)
- Strengthening ESG in our supply chain through extended supply chain mapping and supplier assessments (page 33)
- Progressing towards our net zero emissions target (page 36)
- Renewable energy and energy efficiency initiatives (page 37)
- Addressing climate risk across the portfolio (page 42-43)

There has been no change in membership to the Board ESG Committee.

The Group Management Committee saw one change in FY22 with the Executive General Manager, Investor Relations, Communications and Sustainability leaving Dexus in February 2022. The Chief Financial Officer is now responsible for the Listed Investor Relations team and the Chief Operating Officer is now responsible for the Sustainability team and the Corporate Affairs and Communications team.

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 across communities, people, customers and suppliers.

Reconciliation Action Plan Working Group

Responsible for advancing the group's reconciliation journey with Aboriginal and Torres Strait Islander peoples and implementing initiatives aligned to Dexus's Reconciliation Action Plan.



Engaging with investors

We recognise the importance our investors place on ESG topics and issues for long-term value creation.

In FY22 we engaged with current and prospective investors to discuss our approach to ESG, to learn about their priorities and concerns, and to gain broader insights on how ESG is impacting local and global markets.

Our discussions in FY22 revealed the following key topics of interest:

- How we are supporting female representation in senior and executive management towards our 40:40:20 gender representation target
- The launch of our Reflect Reconciliation Action Plan and our approach to implementation
- How we are managing modern slavery risks in our operations and supply chains
- Our approach to climate change mitigation and adaptation, including transition risks and opportunities
- Acceleration of our net zero emissions target and our implementation approach and progress
- Our onsite solar PV program and the opportunities and challenges for deploying renewables across industrial assets
- How we are collaborating with industrial customers to incorporate leading environmental sustainability features within new industrial developments supported by Green Star certifications

Investor ESG benchmarks

We participate in and are evaluated on several investor ESG surveys for the purposes of benchmarking our performance, communicating our ESG credentials, and understanding how we can continuously enhance our approach to ESG. We are proud to be leaders across key ESG benchmarks in the industry.



PRI

We have been a signatory to PRI since 2010, achieving A+ across all reported categories in the most recent assessment in 2020.



CDP

Dexus was in the top 20% of companies that reached leadership level and one of three Australian property companies achieving a score of A- or above from the 2021 CDP Climate Change assessment.



GRESB

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

- Dexus (DXS) retained a 5 Star GRESB rating for 2021
- Dexus Wholesale Property Fund (DWPF) was named 2021 Regional Sector Leader for diversified office/retail entities in Oceania and retained its 5 Star GRESB rating
- Dexus Office Trust achieved second place for Listed Entities in Oceania and retained its 5 Star GRESB rating
- Dexus ranked in the top 20% of all GRESB participants globally

S&P Dow Jones Indices

A Division of S&P Global

DJSI

Dexus is the only real estate company globally to achieve an S&P Global Gold Class distinction in the S&P Global Sustainability Yearbook 2022. We outperformed 569 real estate companies in the S&P Global Corporate Sustainability Assessment for the third consecutive year with a score of 90/100 (compared to an industry average of 27/100). We also retained a place on the DJSI World index.



Sustainalytics

Dexus has been included in Sustainalytics '2022 Top-Rated ESG Companies', ranking number 2 out of 1,014 in real estate and 22 out of 14,443 globally.

How we are creating Leading Cities



\$44.3_{bn}

Value of group property portfolio

\$1.34_{bn}

Gross Value Added (GVA)
to the Australia economy

95.6%

Dexus office portfolio occupancy

8,603

Construction jobs created

98.1%

Dexus industrial portfolio
occupancy

\$17.7_{bn}

Group development pipeline



Leading Cities

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.

We contribute to the prosperity of Australia's cities through the delivery and management of world class properties. Our properties attract high calibre customers whose businesses create jobs and support local, regional and national economies.

Similarly, our investment portfolio mainly comprises prime CBD offices in Australia's gateway cities and includes some of the country's most iconic assets. We are one of Australia's largest owners and managers of prime office property with 1.6 million square metres of office space spanning 45 office properties, covering the CBDs of Sydney, Melbourne, Brisbane and Perth.

Over the past year, COVID-19 lockdowns continued to impact the physical occupancy of offices, with the Omicron variant delaying the return to the office into 2022. While people continue to work flexibly, the return of people to offices continued to gain momentum, particularly in core CBD markets.

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.

The activation of our \$17.7 billion development pipeline enhances portfolio quality, while providing our third party capital partners with co-investment opportunities to create places where our customers can thrive.

The group 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 performance

Maintaining high office portfolio occupancy

Maintaining high occupancy levels for our office properties contributes to urban amenity and vibrancy. Our properties serve as meeting places for people to work, play, dine, gather and celebrate.

Progress against commitments

- **Achieved our commitment to maintain office portfolio occupancy above the Property Council of Australia market average.**

Our office portfolio occupancy was 95.6%, exceeding the Property Council of Australia's national occupancy rate of 89.3% at 30 June 2022.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

We supported the recovery of CBDs from the impacts from COVID-19 through building and customer initiatives including:

- Collaborating with industry and local government campaigns to host building activations, enticing workers back to their CBD workplaces
- Supporting our CBD retailers through customer campaigns that incentivised patronage
- Supporting our customers through school holiday care, making it easier for parents to return to their workplaces following the COVID-19 lockdowns

Growing industrial precincts

Our city-shaping developments lift the benchmark for sustainable development across Australia's major cities.

Progress against commitments

- **Achieved our commitment to 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.**

We completed 322,100 square metres of industrial developments across the group in FY22. In addition, we secured 60 hectares of land for future industrial development, committed to over 390,000 square metres for industrial development and secured circa 310,000 square metres of industrial development leasing across Victoria, NSW and Queensland.

An additional 80 hectares of industrial development land was acquired in Western Australia, where we preleased 20,000 square metres of space and committed over 90,000 square metres for industrial development.

Key ● Achieved ■ Progressed ▲ Maintained

Contributing to urban economy and employment

Our development projects contribute to economic growth through generating employment and adding value to the Australian economy.

Progress against commitments

- **Progressed our commitment to contribute to economic growth through the generation of employment and contribution to Gross Value Added (GVA) from development projects.**

Our group development pipeline generated \$1.34 billion GVA to the Australian economy and supported 8,603 construction jobs in FY22.

Key ● Achieved ■ Progressed ▲ Maintained

COMMITMENTS

- Maintain office portfolio occupancy above the Property Council of Australia market average
- Grow industrial precincts by more than 200,000 square metres in FY23 to meet the demand for high-quality, highly accessible logistics facilities across Australia

- Progress city-shaping precinct projects in FY23 across Sydney, Brisbane, Melbourne, Adelaide and Perth to improve the amenity and vibrancy of Australia's CBDs

Focus areas

- Contributing to economic growth through the generation of employment and contribution to gross value added from development projects

Creating leading city precincts

Our city-shaping developments lift the benchmark for sustainable development across Australia's major cities.

Progress against commitments

■ **Progressed our commitment to create city-shaping precinct projects that improve the amenity and vibrancy of Australia's CBDs**

We continued to progress planning on our city-shaping projects, including Central Place Sydney and Atlassian Central in Sydney, Waterfront Brisbane, 60 Collins Street in Melbourne and Dexus Healthcare Property Fund's Australian Bragg Centre in Adelaide.

Key ● Achieved ■ Progressed ▲ Maintained



Horizon 2023, Ravenhall

Dexus developed 132,100 square metres of industrial facilities in Ravenhall, Victoria. Partnering with our engaged customers, we have developed the first 6 Star Green Star Design & As Built facility in our industrial portfolio. Featuring a 200kW solar PV array, electric vehicle charging bays, and water reuse and recycling infrastructure to supply irrigation and bathroom amenities, the facility was realised through a collaboration with our partners Electrolux, JLL and Qanstruct.



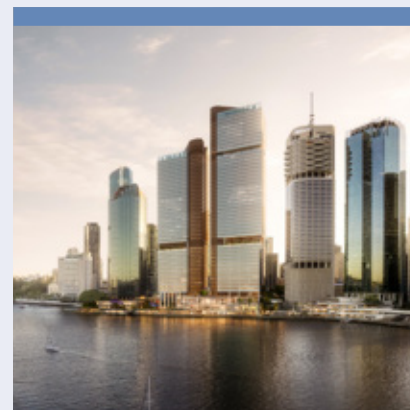
Atlassian Central, Sydney

During the year we progressed our agreement with Atlassian to fund, develop and invest in their new headquarters in Sydney. Atlassian Central is an exciting example of the future of the workplace that is aligned with our purpose of creating spaces where people thrive.

The development, spanning approximately 75,000 square metres of gross floor area (GFA), will comprise a market-leading sustainable 39-level office tower, with retail amenities and new YHA accommodation space at its base, as well as a new public realm around Central Station. The development is targeting leading sustainability outcomes, including:

- An ambitious goal to achieve 50% reduction in embodied carbon for structure, superstructure and facades from the concept to delivery phases of the development
- The project is targeting the highest energy efficiency industry benchmark
- Operating via 100% renewable electricity
- An all-electric design, with fuels removed from retail and commercial kitchens

The building is located adjacent to the Central Place Sydney development and within Sydney's innovation and technology precinct. This is a State Government-led Technology hub and it sets a new global benchmark in modern workspace that values environmental and social impacts and outcomes.



Waterfront, Brisbane

The Waterfront Brisbane development will play a key role in the revitalisation of Eagle Street Pier and the transformation of the Waterfront Place precinct into Brisbane's premium business and leisure destination.

Harnessing leading-edge technology to minimise the environmental impact of the building has been central in the planning process. We are committed to the adoption of circular economy principles in the base building delivery and fit-out processes and will further apply these principles in managing waste in the precinct's operation.

To achieve the precinct's net zero aspirations, Waterfront Brisbane's design will incorporate a number of initiatives which go beyond being net zero in operation, including:

- Employing responsible construction management and environmental management procedures, including sustainable procurement, life cycle impacts optimisation, and minimisation of embodied carbon
- Flood resilience initiatives to respond to the threat of rising sea levels and increasing catastrophic weather events
- A passive-façade, electrified design that reduces energy use, and maximises on-site renewables to reduce grid-demand
- Plans to divert over 80% of waste away from landfill by adopting a circular economy approach to waste management

How we are creating Thriving People

.....



70%

Employee Engagement Score

647

Dexus employees

36%

Females in senior and executive
management roles

99.7%

Safety audit score across
Dexus workspaces



Thriving People

Our engaged, capable and high-performing workforce drives the delivery of our strategy and 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.

We aim to inspire, engage, and develop a workforce that embraces our values and lives our purpose of 'creating spaces where people thrive'.

In doing so, we also serve the diverse needs of our customers and communities who work in and visit our buildings.

We understand that diversity brings broad perspectives that lead to better decision-making and helps to attract and retain the talent we need to be a leading business.

As such, we believe that the best way to sustain value for all our stakeholders is to continue to invest in our people's skills and leadership abilities, as well as the systems they use.

We know the importance of providing a safe and healthy work environment that supports the health of our people as a holistic state of physical, mental and social wellbeing.

Reinforcing and sustaining best practices in managing risk helps us to embed a strong risk culture. We believe our strong risk culture leads to better decision-making and fair and ethical outcomes for our customers and stakeholders.

Diversity brings broad perspectives that lead to better decision-making.



Thriving People performance

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.

Progress against commitments

■ Progressed our commitment to employee engagement.

In FY22, we implemented a new survey platform and engagement measures, which allow us to compare our internal results with external benchmarking. These results deliver our People and Culture teams real-time reporting, as well as better enable our leaders to implement remedial action plans in a timely manner. The average overall engagement score in the new platform in FY22 was 70%.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Sustaining connection with our people

Our employees remain proud to work for Dexus with an engagement result of 89% favourable, which was 4% higher than the Real Estate norm.

To sustain connection with our employees through the ongoing lockdowns, a suite of engagement boosting activities and virtual social events were rolled out. These included, amongst other initiatives, hampers from the CEO and a virtual magic show attended by employees and their families or housemates.

Employee engagement

At Dexus, we value openness and trust across our workforce.

We host monthly engagement sessions to provide employees the opportunity to engage with a member of the Group Management Committee (GMC) or the Board of Directors. Each month a Director or GMC member invites 8-10 employees to participate in an open forum discussion and to raise topics of interest. In FY22, 106 employees participated in a Director or GMC engagement sessions.

Diversity and inclusion

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.

Progress against commitments

- **Progressed our commitment to achieve a 40% female, 40% male, and 20% either/other representation (40:40:20 target) across senior and executive management roles by FY23.**

Dexus progressed towards its 40:40:20 target with 36% female representation across senior and executive management roles at 30 June 2022. We are mindful that we have not met our target, and we continue to put in place strategies to increase female representation both within our organisation and across industry.

- **Achieved our commitment to maintain recognition as an Employer of Choice for Gender Equality.**

Dexus was awarded an Employer of Choice for Gender Equality citation by WGEA in FY22, recognising our active commitment and progress towards achieving gender equality in the workplace.

- **Achieved our commitment to maintain standing on AWEI in relation to LGBTI+ inclusion.**

Dexus was again recognised as a Bronze Employer by Pride in Diversity's Australian Workplace Equality Index.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Starting our reconciliation journey

In FY22, Dexus's Reflect Reconciliation Action Plan (RAP) was endorsed by Reconciliation Australia. This is an important early step on our reconciliation journey with Australia's First Nations peoples. In June 2022, Dexus launched Aboriginal and Torres Strait Islander Cultural Awareness Training to all employees.

Supporting the LGBTI community and fostering allies

Our TRIBE network has continued to build awareness and support for LGBTI+ inclusion in the workplace. 3% of our people disclosed they identify as LGBTI+ and 88% identify as an LGBTI+ ally¹. In March 2022, 130 employees attended a webinar hosted by TRIBE which featured Ken Davis, a member of the '78ers – the participants in the first Sydney Gay and Lesbian Mardi Gras. The webinar focused on the historical challenges faced by the LGBTI+ community, progress made towards acceptance and the issues that still need to be addressed to enable a truly inclusive community.

Inspiring the female leaders of tomorrow

We continue to play an active role in the Property Council of Australia NSW Girls in Property program. The program raises awareness among high school students to promote the career paths available in the property industry and encourages greater female participation. In June 2022, 35 students and their teachers attended a behind the scenes tour of 25 Martin Place, Sydney and the surrounding precinct. Here they heard from our all-female project leadership team about the challenges and opportunities that a career in the industry might present.

¹ Someone who supports LGBTIQ+ inclusion in the workplace, June Census 2022.

CASE STUDY

Supporting future female leaders in property

Supporting our commitment to enhance gender diversity within the property sector, we progressed our Future Leaders in Property program, providing a pathway for the next generation of female property leaders.

Launched in FY21, the 12 month program was designed in partnership with an organisation that creates programs for schools looking to inspire, challenge and shape career plans.

In October 2021, Students visited Waterfront Place in Brisbane where they learnt the importance of placemaking in developing precincts. They gained insights into the planning of our city-shaping project, Waterfront Brisbane. Taking into account sustainability, connectivity and cultural experiences as they participated in a project that designed a thriving city centre

This program received positive feedback achieving a +50 Net Promoter Score, and supporting the intent of the program, we employed a program participant in an intern role.



Professional Development

Dexus provides 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.

Progress against commitments

- **Progressed our commitment to roll out mental health awareness training to all employees.**

As of 30 June 2022, 78% of People Managers had completed mental health training for leaders, while 25% of the workforce had completed mental health training. Working with our community partner, the Black Dog Institute, a rollout of support tools such as meditation apps, interactive self-care guides, toolkits, manager support kits as well as self-based e-learning will become available to all employees in August 2022.

- **Achieved our commitment to target a key talent retention rate of 90% or higher.**

In FY22, our key talent retention rate was 100%. We continued to support the learning and development of our people through strong internal talent mobility, with one in four opportunities filled by internal candidates.

- **Progressed our commitment to roll out Lead @ Dexus to all people managers.**

At 30 June 2022, 92% of people managers have completed the training, as well as 45% of our fixed term and permanent employees. Training initiatives across the business, including Lead @ Dexus, continue to be impacted by COVID-19, with teams operating with limited capacity for training to cover reduced staffing in a challenging environment.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Supporting our managers with practical tools

We recognise the impact a direct manager has on employee experience and engagement. To support our managers, we ran a Manage@Dexus program throughout FY22 comprising a series of one-hour interactive webinars.

The program was designed to equip people managers with practical tools to evolve their management approach and create an environment for personal and professional performance. Topics included check-in coaching, managing difficult conversations, how to motivate and engage, manager impact, creating focus, direction and expectations, having career conversations, and coaching on development plans.

Retaining and rewarding great talent

Employee recognition, together with an engaging and meaningful employee experience is key to retaining great talent.

We recognise the achievements and career milestones of our people in Quarterly Town Hall events, with awards granted to employees demonstrating our Values, supporting our Safety and ESG commitments, as well as celebration of tenure milestones.

In September 2021, with the majority of employees in lockdown and a period of heightened business activity, the Board and Group Management Committee launched a series of activities to recognise everyone's contribution and drive employee wellbeing. To cater for all ages and households, including parents working at home with young children, the series included virtual magicians, meditation and mental health webinars, as well as a gift hamper chosen by the employee.

Employee Health and Wellbeing

Dexus prioritises health and safety across its workplaces and supports the physical, mental, financial, and work wellbeing of its people.

Prioritising a safe work environment

In FY22, we achieved a safety audit score of 99.7% across our corporate and building management office workspaces, as well as Dexus Place workspaces.

In an engagement survey conducted in February 2022, 90% of our people told us they feel their manager genuinely cares about their wellbeing (3% higher than the Real Estate 2021 norm).

Supporting physical wellbeing

The provision of annual health programs helps keep our workforce focused on staying healthy. This year 37% of our workforce used the vouchers offered for complementary flu vaccinations, representing an increase of 12% on FY21.

Dexus again participated in the STEPtember challenge, which is Australia's leading health and wellness fundraising event. Through STEPtember we encourage our employees to walk, swim, ride, wheel or spin their way to 10,000 steps per day during the month of September – for the benefit of children and adults who live with Cerebral Palsy. 539 employees and customers took part in the challenge who collectively took over 158 million steps and raised over \$114,000.



CASE STUDY

Dexus Family and Care Hub

The nature of the pandemic has merged home and work life more than ever before. Recognising the challenge this presented for many of our employees with families and young children, we partnered with leading expert, Parents at Work, to launch a new family and care hub.

The Work+Family Hub provides our employees access to work and family education resources to support people as they prepare for leave, or to manage carer responsibilities. These include:

- Interactive webinars, where people can connect with other parents and carers, to share experiences on balancing work and care
- Expert advice from specialists on topics of interest including returning to work after taking parental or carers leave, achieving flexibility between home and work commitments, as well as cyber-security information for parents of young adults
- One-on-one coaching with a qualified, experienced Executive Coach. This coaching is designed to provide employees with the opportunity to confidentially discuss work and family plans, as well as career and wellbeing needs

To celebrate the launch of the Hub, a 'Parents at Work' webinar was hosted by our Chief Investment Officer, in discussion with Customer Experience Director from Parents at Work, Fiona Hitchener. The conversation included topics such as the role of planning, prioritisation and 'keeping it human' to help manage flexible working.

The Work+Family Hub is a welcome enhancement to our suite of employee wellbeing offers which includes:

- Physical health checks, vaccinations and health insurance benefits
- Family and company social events, role flexibility, and study assistance
- Professional memberships, networking opportunities, and learning and development programs
- Mental health assistance, parental programs and access to personal life coaching
- Access to Dexus's Employee Share Ownership Program, superannuation/financial advice services, recognition pool and recruitment referral programs

Supporting mental wellbeing

Our partnership with the Black Dog Institute enables Dexus to drive awareness of mental health and wellbeing. In September 2021 as part of our R U OK Day awareness campaign, our Chief Operating Officer co-hosted a webinar with David Westgate, who is an ambassador for the Black Dog Institute.

The webinar was attended by 194 employees, informing them on:

- The benefits Black Dog Institute provides within our communities that we operate
- Challenges that come with living with mental illness
- What the Black Dog Institute is doing to improve people's mental health
- Noticing the signs of mental illness in yourself and others
- Removing the stigma surrounding mental illness.

We will continue to partner with the Black Dog Institute throughout the year to promote mental health awareness and educate our people, with a view to expand engagement with our customer communities.

A key priority in the year ahead will be to integrate the AMP Capital portfolio and people onto the Dexus platform.

Our teams will be integral to the success of the integration. We are committed to supporting our people with a range of tools and initiatives to ensure the transition is inclusive and managed with care.

Enhancing employee benefits

Wellbeing allowance: We continue to reinforce the importance of investing in holistic wellbeing through providing a wellbeing allowance. This market-differentiating employment benefit provides an additional \$100 per month allowance for employees to invest in an activity or product that supports their wellbeing.

Parental leave: We increased our parental leave policy entitlements for primary and secondary carers to 16 and 4 weeks respectively, with no tenure requirement and the policy allows leave to be taken in any continuous or non-continuous format.

Supporting our people through pregnancy loss

Our partnership with Pink Elephants enables us to provide resources, information, and peer-support for employees impacted by early pregnancy loss.

Building on our partnership, a Dexus employee completed training to be a Peer Support Companion. The Peer Support Companion role provides informal support to Dexus employees who have experienced early pregnancy loss.

COMMITMENTS

- Target an employee engagement score at or above 70% at the end of FY23
- Achieve 40:40:20 gender representation in senior and executive management roles by FY25

Focus areas

- Enhancing our approach to employee wellbeing, including education and benefits
- Increasing workforce diversity and a culture of inclusion, including setting targets beyond gender

How we are creating
**Future enabled customers
and strong communities**



+43

Customer Net Promoter Score

>\$0.8_m

Value of community contribution

4,466

Customers

1,576

Supplier partnerships



Future enabled customers and strong communities

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

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 approach to ESG across our supply chain.

We understand how high-performing workspaces enhance employee productivity and wellbeing. We support our customers by listening to them and understanding their needs. We are harnessing leading technology and innovation to enable collaboration in hybrid and flexible working arrangements, living our purpose to create spaces where people thrive.

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 amplify our social impact through our community partnerships with the Black Dog Institute and Planet Ark, as well as many other significant organisations.

Our success would not be possible without the support of our many suppliers. We work closely with our suppliers to achieve operational efficiencies, enhance customer experience, and extend our impact on key environmental and social issues. We prioritise worker health and safety, and assist our suppliers in managing risks in our supply chain, including modern slavery risks.

[LEARN MORE](#)

More information on our approach to customer engagement and experience, community contribution, and supply chain management is provided in the Management Approach and Procedures on pages 120-140.



Future Enabled Customers

Customer engagement

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

Progress against commitments

- **Achieved our commitment to maintaining a customer Net Promoter Score at or above 40+.**

In FY22, our annual customer survey across our office, industrial and healthcare portfolios returned a Customer Net Promoter Score (NPS) of +43 (out of a possible range of -100 to +100).

Key factors contributing to customer NPS results this year included:

- Strong relationships between customers and property management teams, including property managers, concierge, and facilities managers
- Effective and timely communication, with solutions-focused responses
- Accessibility of the property team
- Building amenities, such as end-of-trip facilities
- Activations to enhance the community-feel of the property

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Managing our properties to meet customer needs

In FY22, we maintained a score of 8.6/10 for our customers' average satisfaction with property management (unchanged from FY21).

Supporting future workspace needs

As ways of working continue to evolve, we work with our customers to adopt and create spaces that work best for them.

Progress against commitments

- **Progressed our commitment to support our customers' future workspace needs.**

In FY22, we launched a new Dexus Place location at 80 Collins Street, Melbourne. The new facility incorporates the connectivity of Dexus Place and the flexibility of our SuiteX offer.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Supporting our customers' transition to hybrid and flexible work

We are partnering with Warren & Mahony Architects supported by Arup on a multi-client research study about hybrid collaboration, focused on optimising collaboration and interaction between people working in the office and remotely.

We are conducting this research study with industry and government partners. In addition, we are partnering with the University of Queensland on the impact of remote working on recruitment and onboarding staff, and the University of Melbourne on a pilot to trial activity-based working in the academic sector.

Implementing leading workplace strategies

We are working with CSIRO on the development and national rollout of its new hybrid workplace strategy. Implementing this new strategy will complement a pilot study within Dexus. Within this pilot study, we are exploring how hybrid working can benefit our people through greater flexibility and choice, and optimise our customer and business outcomes. Longer term, we are working with Atlassian on the development of the workplace strategy for its new Sydney headquarters.

Harnessing technology and innovation

We continually invest, trial and implement new technologies to optimise customer experience and wellbeing in our buildings.

Progress against commitments

- **Progressed our commitment to harness technology and innovation to improve customer experience.**

In FY22, we completed the bipolar ionisation (BPI) technology trial at One Margaret Street, Sydney. The outcomes of this trial confirmed that BPI technology has the potential to further enhance the air quality in our buildings above their current high standards. BPI will be included as an additional paid customer offering in FY23.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Deploying new technology solutions to keep our customers safe

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.

We developed a scalable End-of-Trip Occupancy Management System to optimise social distancing and cleaning in our property at One Margaret Street. The system displays the number of people in the End-of-Trip facility and relays messaging to prevent over-occupancy. The system also has the ability for a user to scan a QR code, provide feedback or report if cleaning is required outside of schedule.

Delivering healthy buildings

Our healthy buildings initiatives focus on developing and operating buildings that deliver high-quality, productive working environments that maximise the customer experience.

Progress against commitments

- Progressed our commitment to continue to support customer wellbeing by delivering initiatives including the WELL health and safety portfolio certification.

In FY22, we commenced the WELL Health & Safety portfolio rating for Dexus owned and managed properties. The rating process is ongoing, and we expect to receive the outcome of the rating in FY23. To date, there have been important learnings on how we can further embed the WELL principles into our health and safety operations.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Expanding the coverage of our NABERS Indoor Environment rating

Our healthy buildings initiatives focus on developing and operating buildings that deliver high-quality, productive working environments that maximise the customer experience.

In FY22, we expanded the use of NABERS Indoor Environment ratings across the portfolio, achieving 4.9 stars across 70% of our portfolio as at 30 June 2022.

CASE STUDY

Promoting health through customer education and services

In FY22, Dexus worked closely with health experts to educate and share useful resources with our customers. In October 2021, we hosted a customer seminar with special guest, Professor Tony Cunningham (Co-director of the Centre for Virus Research of The Westmead Institute for Medical Research) on COVID-19 and vaccinations. Over 150 customers attended the webinar, hearing from health experts at WIMR and participating in a live Q&A session.

We also support health specialists to share their expertise by providing access to leading spaces across our portfolio. Located at 309 Kent Street in Sydney, Genea offers a comprehensive range of assisted conception procedures, as well as genetic diagnosis and infertility counselling. To support their valuable work, we promoted a number of their webinars across our Sydney portfolio to connect them with interested customers.

COMMITMENTS

- Maintain a Customer Net Promoter Score for the portfolio at or above +40
- Continue to support customer wellbeing by delivering initiatives such as a WELL Health and Safety portfolio certification
- Harness technology and innovation to improve customer experience in FY23 by progressing advanced indoor air quality filtration and mobile access control customer offerings
- Advise customers on nature and effective implementation of hybrid work practices by completing a workplace research project in FY23 and developing five tailored workplace strategies



Strong Communities

Social impact

Dexus's capacity to create value is influenced by the strength of its relationships with the communities in which it operates. With 4,466 customers across our platform, and a transformative development pipeline, we are in a unique position to make a positive social impact in the communities in which we operate and contribute to important issues where we can make a difference.

Progress against commitments

- **Achieved our commitment of supporting the wellbeing of our people and customers through implementing initiatives aligned to our corporate partnership with the Black Dog Institute.**

In FY22, we delivered customer education events to help our commercial customers gain awareness and support on mental health. We also offered an exclusive customer discount for future mental health training.

- **Achieved our commitment to influence the sustainability practices of our people and customers through implementing an engagement program with corporate partner Planet Ark.**

In June 2022, we hosted a Planet Ark Circular Economy education session in Brisbane. The content from this presentation was shared across our platforms nationally. The session educated our customers on how their companies can reduce waste, and re-use materials.

Other key achievements

Amplifying our social impact through community partnerships

Over the year we contributed over \$0.8 million financially and in-kind to communities across Australia through initiatives such as:

- **Black Dog Institute:** Dexus staff raised \$9,600 in our annual Christmas auction with Dexus matching this amount, resulting in \$20,000 being donated.
- **Planet Ark:** Each week properties across our portfolio auction the decorative flowers in our lobbies, rather than sending them to landfill, to raise money for our charity partners.
In FY22 we dedicated 145 weekly flower auctions across 24 properties to Planet Ark, raising over \$7,500.
- **Foodbank Australia:** In total, Dexus customers and staff raised over a tonne of non-perishable items and \$6,600 donations, equating to 15,000 meals for people in need.
- **STEPtember:** Over 570 customers and employees participated in the challenge, raising nearly \$120,000 for our charity partner – the Cerebral Palsy Alliance.



Encouraging our people to connect with and support community causes

We ran volunteering campaigns in the quarter ending 30 June 2022 to encourage our people to support community causes that connect to our purpose. Our teams contributed their time to a variety of causes, including OzHarvest's Cooking for a Cause and Cerebral Palsy Alliance's Easter Show Buddy Day.

We were excited to partner with Eat Up Australia whose mission is to feed hungry kids so they can grow, learn, and succeed. Our Sydney and Melbourne teams rolled up their sleeves and made almost 2,500 sandwiches for kids experiencing food insecurity across schools in NSW and Victoria.

Measuring social value to improve transparency

We collaborated with industry peers and contributed to the development of a Collective Social Impact Framework by the Property Council of Australia's Social Sustainability Committee. We look forward to identifying opportunities for us to trial the framework and enhance our approach to contributing positive social impact for the communities in which we operate. This will help us assess and quantify efforts to deliver positive change through social sustainability in Australia's property industry.

Key ● Achieved ■ Progressed ▲ Maintained

Progressing our Reflect Reconciliation Action Plan

Reconciliation means working together to strengthen relationships between Aboriginal and Torres Strait Islander peoples and non-indigenous peoples to foster respect, trust and equality while acknowledging our shared histories.

Progress against commitments

- **Progressed our commitment to advance Dexus's reconciliation efforts with First Nations peoples through implementing the Reflect Reconciliation Action Plan.**

Dexus's RAP is endorsed by Reconciliation Australia. In FY22 we commenced the roll out of cultural awareness training.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Recognising the Traditional Owners of the land within our portfolio

To support our understanding and respect for local first nations cultures, we have commenced a mapping exercise of the traditional lands and custodians in areas in which we operate across Australia. In FY23, we will continue mapping our portfolio and engage with local Elders and Traditional Owners to confirm that our mapping is accurate.

LEARN MORE

To learn more about our journey so far and priorities, read our full **Reflect Reconciliation Action Plan** at www.dexus.com.

CASE STUDY

Cultural awareness

Every day across Australia, thousands of people work, visit or shop in Dexus-managed buildings. As such, we believe we have a significant role in supporting reconciliation through the communities in which we operate. Implementing our Reconciliation Action Plan (RAP) is an important early step on our reconciliation journey with Aboriginal and Torres Strait Islander peoples.

In FY22, the launch of a cultural awareness online training module during National Reconciliation Week was a key milestone in the implementation of our RAP. The training, designed in partnership with PwC Indigenous Consulting provides our people with an understanding of the diversity of Aboriginal and Torres Strait Islander peoples across Australia and what they can do to support our commitment to reconciliation within their role.





Supply Chain Management

Engaging our suppliers on modern slavery risk

We understand the importance of managing modern slavery risk across our operations and supply chain, and welcome the increased interest from investors, customers and suppliers on how we are addressing these risks.

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 our Sustainability Approach.

Dexus conducts an Annual Supplier Survey to gather feedback on our working relationships, measure supplier alignment on ESG management approaches, in support of our Sustainability Approach objectives, and to support them to extend our these objectives down the supply chain.

The results of this survey indicated that:

- 57% of suppliers who participated have a RAP in place or plan to introduce one within 12 months
- 37% of respondents who participated said they have a gender diversity target or program in place
- 10% of suppliers who responded participate in voluntary sustainability certification

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, our approach to collaborating with our suppliers recognises that our supply chain is an extension of our business and forms part of our social license to operate.

We have publicly lodged our 2021 Modern Slavery Statement with the Australian Government, which is also available at www.dexus.com.

Our 2022 Modern Slavery Statement will be lodged and made available in December 2022.

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.



LEARN MORE

More information on our Modern Slavery Management Framework is provided in our 2021 Modern Slavery Statement, which was publicly lodged with the Australian Government and is available at www.dexus.com.

Progress against commitments

- **Achieved our commitment to require our design consultants to consider modern slavery in the supply chain of materials and products they specify to be used in development projects, and advocate for industry change by encouraging peers to adopt the same approach.**

In FY22, we updated our design consultancy agreements to require design consultants to conduct appropriate due diligence on materials to ensure the materials are not linked to modern slavery or other human rights abuses. Additionally, our consultants will be required to provide evidence of this due diligence being conducted.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

This year, we engaged with two of our joint venture partners to enhance our approach to managing modern slavery risks. As a result, Dexis is preparing for a pilot Cleaning Accountability Framework audit at one of our office properties. This audit will help identify improvements and opportunities to partner with our cleaning suppliers.

Influencing our supply chain

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.

Progress against commitments

- **Progressed our commitment to conduct assessments on key Tier 2 services suppliers.**

We initiated an annual supplier code of conduct attestation process to assist us in identifying Tier 2 suppliers. This resulted in 15 subcontractors being invited to respond to the Property Council of Australia's modern slavery due diligence questionnaire.

- **Progressed our commitment to extend our supply chain mapping to other geographies beyond Australia.**

We engaged EcoVadis to conduct ESG audits on our supply chain. Suppliers will be audited annually until they achieve an EcoVadis benchmark score that is acceptable to Dexis. Once this benchmark score has been attained, we will extend the audit frequency to once every three years. The tool will allow us to extend our supply chain mapping beyond Australia.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

KPMG completed an independent review of our two key suppliers. While no modern slavery issues were identified, the audit highlighted that suppliers reviewed could enhance their internal processes and policies. Further information will be disclosed in our annual modern slavery statement to be released in December 2022.

COMMITMENTS

- Implement EcoVadis supplier verification across preferred suppliers in FY23, targeting coverage of 80% of preferred supplier spend engaged on the platform by FY24

Focus areas

- Progressing the implementation of our Reflect Reconciliation Action Plan
- Delivering supply chain engagement and risk assessment activities across Tier 1 suppliers and beyond
- Delivering anti-modern slavery initiatives including a pilot Cleaning Accountability Framework audit
- Supporting the communities in which we operate through charitable contributions

How we are creating an Enriched Environment

.....



5.0 star

NABERS Energy average
rating across our group
office portfolio

100%

Of electricity sourced from
renewable sources in FY22 across
our group managed portfolio

4.7 star

NABERS Water average
rating across our group
office portfolio

4.9 star

NABERS Indoor Environment
average rating across our
group office portfolio

**Achieved net zero emissions for
building operations across the
group managed portfolio**



Enriched Environment

Our buildings and future developments will shape our environments and landscapes for decades to come, so we have a responsibility to act now.

We are continuing to build an efficient and resilient portfolio that minimises impact on the environment and will thrive in a climate-affected future.

We want to leave a positive legacy by rethinking how we use and value natural resources. We actively manage energy, water and waste through building optimisation, and through customer engagement and awareness programs. By pursuing initiatives that help us consume less and source more sustainably, we better service our people, customers, and planet.

Our commitment to achieve net zero across operational emissions is a key step on our sustainability journey. The floods that impacted New South Wales and Queensland in 2022 further highlighted the material risk to people, communities and property that climate change presents, as well as the growing financial risk to the economy.

We recognise the importance of building resilience to climate change across our business and portfolio and are subsequently embedding climate resilience into our property management practices.

Embedding climate resilience into our practices will maximise customer and occupant wellbeing, maintain reliable and continuous building operations and prepare our communities for the future.



Enriched Environment performance

Achieving net zero

Delivering net zero emissions across our managed property operations is a key milestone for Dexus and reinforces our commitment to act on climate change. Achieving net zero also aligns with changing customer and investor sentiment for low-carbon investments.

Progress against commitments

- **Achieved our commitment of net zero emissions across the group-managed portfolio by 30 June 2022.**

Since FY08 we have been working to continuously improve the group portfolio's energy efficiency and associated emissions through our building operations, transactions and developments. As at FY22, we have reduced emissions intensity by 62%. Of the remaining emissions, around 81% has been avoided by transitioning to renewable electricity and 19% has been balanced through carbon offsets.

This achievement delivers strong climate action for the planet, enhances our vision for smart, sustainable workspaces, and is being certified by the internationally recognised Science Based Targets initiative as aligned with a 'below 1.5°C global warming' future.

Our pathway to net zero comprises:

1. Reducing carbon emissions through energy efficiency
2. Transitioning to 100% renewable electricity from base building operations from July 2021 in the form of Large-scale Generation Certificates (LGCs) or Green Power. In FY22 we sourced over 115,000 MWh of renewable electricity from renewable electricity supply agreements in Victoria, Queensland and New South Wales, and via GreenPower purchases in Western Australia.

3. Continuing to invest in certified, nature-based carbon offsets for our remaining emissions to account for emissions from natural gas, wastewater, refrigerants, as well as waste and recycling. In FY22 we balanced approximately 24,000 tonnes of emissions through certified carbon units.
4. Verifying we are net zero and maintaining this status through Australia's Climate Active carbon neutral program. We have undertaken limited assurance for our net zero achievement and Climate Active certification is underway.

Key ● Achieved ■ Progressed ▲ Maintained

CASE STUDY

Beyond Net Zero – Influencing our value chain

Approach to managing emissions moving forward

Our developments will have a long-lasting footprint for decades to come. In addition to striving to meet our ambitious sustainability commitments, we also supported customers with their own emissions journey and seek ways to play a role in decarbonising our entire value chain.

We do this through leveraging insights and solutions towards smarter workspace solutions, working with customers and suppliers on low carbon fit outs, or sourcing renewable electricity, we can play an important role in the whole of economy transition to net zero. We are already working with our customers and suppliers to achieve these collective goals.

The Waterfront Brisbane development team has been actively engaging with local suppliers, services providers, and specialists to create one of the most sustainable developments in Brisbane.

In collaboration with our value chain partners we have sought to understand and incorporate:

- Low embodied carbon materials in construction
- Circular economy principles in construction and operations
- Use of the Green Star rating framework to develop solutions to go beyond net zero

The recently completed development at the Herston Car Park opposite the Royal Brisbane Hospital is an exemplar for us to demonstrate beyond net zero.

The carpark utilised is ample roof space to install a 99kW solar PV system and ten Tesla Powerwall-2 batteries.

The solar PV system is designed to have sufficient capacity to charge the batteries for both night-time use and powering daytime energy demands. It is anticipated that this will enable the carpark to achieve emission-free operations and be future ready to support the transition to electric vehicles.

Other key achievements

Climate Active certification

We are working towards achieving certification under the Climate Active Carbon Neutral standard across the portfolio. 5 Martin Place, Sydney and 145 Ann Street, Brisbane became the first two buildings in our office portfolio to be certified carbon neutral. Additional buildings will be rated post-July 2022 once they have a full 12-month record of renewable energy purchasing.

Dexus Industria REIT (DXI) also achieved certification with the Climate Active Carbon Neutral Standard for both its corporate activities and the emissions associated with the properties under its operational control. DXI is one of the first A-REITs to be certified carbon neutral across both its portfolio and managed operations.

Supporting our partners on their net zero journeys

As a member of The Australian Climate Leaders Coalition (CLC), we are collaborating with value chain partners on a number of cross-sector initiatives to influence the reduction of Scope 3 emissions in relation to the built environment. We are currently working with four CLC Members, to develop a proof of concept to reduce Scope 3 Emissions. This project is focused on how the business, in partnership with our customers, can collaboratively reduce Scope 3 emissions, at two sites – Dexus Healthcare Property Fund's, North Shore Health Hub, St Leonards, and Waterfront Brisbane.

Approach to managing emissions moving forward

While it is important to celebrate the net zero milestone, this is by no means the end of our journey. Our pathway has been designed for ongoing net zero emissions across our group managed portfolio's building operations over the long term.

However, our portfolio is evolving. Our priorities in the year ahead include integrating the AMP Capital portfolio. As this and other new funds and mandates are welcomed to the platform, we commit to working with our investment partners to align to our commitment to net zero.

Resource efficiency

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 reduce environmental impacts.

Progress against commitments

■ **Progressed our commitment to reduce energy intensity by 10% across the managed office portfolio by FY25 against a 2019 baseline**

In FY22 we achieved an 15.0% energy intensity reduction. COVID-19 related government mandates impacted the level of physical occupancy of our buildings and contributed to this reduction. We expect FY23 to result in higher physical occupancy and an increase in base building energy use as workers return to the office requiring greater building operational needs.

■ **Progressed our commitment to reduce water intensity by 10% across the managed office portfolio by FY25 against a 2019 baseline**

We achieved a 499% water intensity reduction. Similarly, we expect FY23 to result in an increase in water use due to higher physical occupancy post the end of COVID-19 lockdowns as customers return to the office and CBD.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Updated method for measuring refrigerant-related emissions

Refrigerant leakage can be a key contributor to direct emissions, especially when conservatively estimated using default leakage rates. During the year Dexus transitioned to a more accurate accounting method for refrigerant leakage, utilising equipment service records that record actual refrigerant losses measured by equipment top ups. This has helped lower Scope 1 emissions by around 80%, are reduced the number of carbon offsets required to achieve net zero emissions.

For further information on our energy, waste and water performance across the portfolio, refer to the following sections on Renewable Energy, Waste Management, and Building Certifications.

Renewable energy

Transitioning to 100% renewable electricity is at the heart of our net zero plan.

- **Achieved our commitment to source at least 70% of electricity from on-site and off-site renewable sources across the group's managed portfolio by FY25**

This year we transitioned to sourcing 100% renewable electricity, resulting in over 117 gigawatt-hours (GWh) of electricity sourced from either on-site solar PV systems or off-site via established renewable electricity agreements and GreenPower purchases.

In FY22, Dexu re-tendered electricity for its Western Australian portfolio, securing a renewable electricity supply agreement with Synergy for the next three years with generation being sourced from the Warradarge Wind Farm – a local WA GreenPower-accredited power station.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Supporting our customers to increase renewable energy uptake

A key pillar of our approach to achieve net-zero is the installation and use of onsite renewable energy. Kings Square 2 in Perth is an A-grade office building with almost 20,000 square metres of floor space occupied by Shell Australia.

In April 2022, Dexu partnered with Shell Energy installed a 999 kW solar PV array at the property, which is expected to generate almost 143 megawatt hours (MWh) of emission-free electricity annually, reducing the reliance on grid-sourced electricity at the property by almost 18% per annum. The electricity generated will also positively contribute to the building's decarbonisation efforts by eliminating over 97 tonnes of emissions annually.

This collaboration between Dexu and Shell Energy at Kings Square 2 demonstrates the positive impact that can be made through seeking opportunities to increase renewable energy generation, enabling Dexu to achieve its sustainability goals while supporting our customers to meet their own decarbonisation goals. We will continue to partner with Shell Energy to expand rooftop solar across the group's industrial portfolio and support our customers to increase renewable energy uptake and reduce carbon emissions.

Dexu Industrial REIT continues to invest in solar

Over the past four years, Dexu Industrial REIT's investments in 2.5 megawatts of onsite solar installations has saved approximately 2.4 million kilograms of carbon dioxide emissions from being released into the atmosphere, exceeding the emissions attributable to the portfolio under the Climate Active standard.

Waste Management

We aim to incorporate circular economy principles into our waste management approach to maximise the productivity of resources and reduce environmental impact.

Progress against commitments

- **Progressed our commitment to achieve an average 4-star NABERS waste rating by FY25 across the group office portfolio.**

We improved our rating to 3.0 stars across 70% of the portfolio as at 30 June 2022. As of 30 June 2022, the managed-portfolio includes five properties that are meeting or exceeding the group's FY25 4-star NABERS Waste target.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Engaging our customers to improve waste recycling at 175 Pitt Street, Sydney

Optimising waste management practices with the support of our customers is an important step towards decarbonising building operations. In 2020, 175 Pitt Street, Sydney recorded a below average recycling rate of 7% and a NABERS Waste rating of 1 star. To address this, the Property Management and Facility Management teams collaborated with customers and site cleaning staff to implement a high-visibility awareness campaign on correct waste disposal sorting practices.

175 Pitt Street in Sydney also established a 'Green Team' led by the Property Management team to focus on continued engagement efforts. As a result, during the past year the waste recycling rate increased from 7% to 34%, lifting the NABERS Waste rating to 3-Star. Ongoing plans are in place to help achieve the 4-Star NABERS Waste Target.

Promoting circular economy in partnership with Planet Ark

Our partnership with Planet Ark enables us to educate and engage our people and customers on environmental sustainability, empowering them to make positive change.

In June 2022, Planet Ark hosted an event for our Brisbane customers on understanding the value of materials and leveraging the circular economy through its Australian Circular Economy Hub program. The workshop educated business leaders on how their companies can reduce waste, re-use materials, leverage renewable energy, and how an innovative model for rethinking our approach to products and services can result in better environmental outcomes.

CASE STUDY

Optimising air quality for a healthy workplace

Healthy workplaces are an essential component of occupant wellbeing and productivity. Improving the health of the indoor environment within our locations supports our social and environmental sustainability commitments to our customers and enhances their experience within our workspace.

This year, we conducted testing and audits on several Dexus sites against our healthy building metrics. At one tested location – 480 Queen Street in Brisbane – we identified opportunities to improve air quality performance.

These included increasing the frequency of comprehensive cleaning for all air conditioning units, upgrading CO₂ sensors throughout the building to improve air exchange visibility, as well as upgrading the air filtration medium to F7 grade filters (above Australian standards) and increasing the frequency in the replacement of these filters.

As a result, we saw significant improvements in all key areas of our testing criteria. These improvements are reflected in our recent NABERS Indoor Environment rating performance, achieving 5.5 Stars in FY22.

Embracing the circular economy at QV Melbourne

In partnership with Sustainability Victoria and a circular economy consultant, Dexus led a collaborative project to measure and map how materials flow through the QV mixed-use precinct with the intention of improving the circularity of these material flows. A workshop in February 2022 involving Centre Management, QV retailers and cleaning service providers reviewed the findings of a precinct waste audit and the identified opportunities to transition from a single-use and disposal pathway towards higher value outcomes and a re-use mindset. The workshop directed focus on organic food waste and metals with a series of initiatives that, with the support of the QV customer community, can eliminate up to 50% of the total waste generated at QV Melbourne.

QV management team explored a range of products and services to be considered for implementation, including food waste conversion (by live organisms) to high-quality animal feed and organic fertilizer, mobile app solutions aiming to reduce surplus food going to waste by linking to customers and charities, and reuse of food containers to reduce single use plastics. A retailer engagement campaign took place to explain the program and has been positively received by QV retailers.

Indoor environment

We continue to drive improvements in building performance and measurement to enhance human health and wellbeing.

Progress against commitments

■ **Progressed our commitment 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**

In FY22, we rated several buildings for the first time, improving performance to 4.9 stars, measured across 70% of our portfolio. Recently acquired portfolios which have previously not been rated under NABERS Indoor Environment, providing further opportunity to expand the program in FY23.

Key ● Achieved ■ Progressed ▲ Maintained

Other key achievements

Active air filtration

The importance of air quality in our buildings continues to remain a focus area for Dexus. Air filters provide an important first line of defence to filter fresh air entering the building and a passive indoor air quality control for our buildings. In FY22 we continued to progress our air conditioning filter upgrade program, which involves the installation of F7 grade air filters or higher.

The Building Technology team conducted comprehensive research and validation to examine other technologies that are on the market to enhance indoor air quality. In FY22 we trialled an air filtration system using Bipolar Ionisation (BPI) technology at One Margaret Street, Sydney to enhance the indoor air quality. Air quality and hygiene specialists, and independent scientists were engaged to conduct the onsite testing and validate the results. The trial successfully demonstrated that the BPI technology improves air quality without impacting energy efficiency.

WELL Health-Safety Building Standard

To further align our healthy buildings initiatives with international best practice, we are advancing the WELL and Safety certification process across our portfolio.

Health and wellbeing remains a priority across office development projects through designs that will incorporate WELL design features.

A holistic suite of health and wellness measures that are being adopted within the design of precincts including Waterfront Brisbane include:

- Air conditioning systems designed for optimum air filtration and thermal comfort
- Ventilation designed to improve indoor air quality in the building
- Effective exhaust systems to eliminate indoor pollutants
- Architectural and mechanical design to improve acoustic comfort conditions
- High-colour rendering, glare reducing lighting compliant with best practice general illuminance standards
- Solar glare controls and good access to daylight and views
- Low VOC and low formaldehyde materials

Waterfront Brisbane also features bicycle parking amenities accessible from the ground plane, adjoining a proposed widening of the Riverwalk, which encourages active transport, a safe and enjoyable experience for pedestrians and cyclists.

Biodiversity

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

Protecting nature and enhancing biodiversity at Horizon 3023 Ravenhall

The Horizon 3023 industrial precinct at Ravenhall, Victoria incorporates a 32-hectare biodiversity reserve featuring high-quality grasslands and habitats for endangered fauna, such as the Striped Legless Lizard. In FY22 we continued our efforts to enhance the biodiversity value of the reserve by:

- Carrying out land management such as the removal of noxious grasses and weeds, which if untreated, can outcompete the high-value grasslands
- Land rehabilitation including removal of debris and materials that were infested with pests and relocation of grazing horses. These activities improved the establishment of the vegetation and native flora and fauna
- Conducting control burn off to reduce hazardous biomass accumulation that impacts the regrowth of the native Wallaby Grass and other vegetation

Evidence of increased numbers of species including the Striped Legless Lizard, Eastern Blue Tongue Lizard, Little Whip Snakes and Tiger Snakes have been observed. It is hoped these ongoing efforts, as part of the ten-year management plan of the site, will continue to facilitate and support the regeneration of natural ecosystems and contribute to a positive biodiversity outcome.

Seeking biodiversity co-benefits through carbon offset projects

In addition to our direct initiatives, we supported local and international carbon projects that deliver biodiversity co-benefits. In line with our purchasing criteria, currently we direct over half our investment towards Australian-based projects and over 50% of offsets retired are derived from 'nature-based' land care activities including forest preservation, reforestation and habitat regeneration, and tree planting.

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

We retained our existing portfolio Green Star Performance certification and in FY23 we are expanding coverage to 87 properties, including office, retail, industrial and healthcare assets. We expect the portfolio performance will be maintained with some uplift on a number of properties due to building performance enhancements.

North Shore Health Hub, St Leonards in NSW was awarded a 6 Star Green Star Design & As Built v1.2 certified rating, representing world leadership in environmentally sustainable building practices, and exceeding its 5 Star target. Underpinned by our healthcare fund's Clean Energy Policy, the North Shore Health Hub adopts design elements that enhance operational efficiency, including the installation of a 160 kilowatt (kW) solar system to offset the facility's carbon emissions.

At Horizon 3023, Ravenhall, a custom-built facility for Electrolux achieved 6 Star Green Star Design & As Built certification. This result was achieved by a collaborative design process along side our customer.



Some of the key features that are attributed to the 6 Star Green Star certification include:

- A 200kW solar PV system, enabling the tenant to reduce their carbon footprint and support their journey to achieve climate neutrality by 2030
- Water harvesting to use rainwater in irrigation and bathroom amenities
- Acoustic noise reduction in office and showroom for worker comfort
- Glare reduction applied to office and showroom for worker comfort
- A life-cycle approach to equipment and material selections
- Sustainable materials used throughout the build
- Dedicated parking and charging for electric vehicles

NABERS

Dexus has a well-established NABERS program to benchmark energy and water performance nationally, using a rating scale from 1 to 6 stars.

In FY22, the office portfolio NABERS Energy and Water ratings remained stable at 5.0 stars, with physical occupancy impacted by the COVID-19 lockdowns and a shift to hybrid working across some of our customers' workforces.

The portfolio average NABERS Energy rating for office (with GreenPower) increased from 5.1 stars to 5.3 stars, with an increase in renewable electricity purchasing aligned with our net zero emissions commitment. The portfolio NABERS Water average increased from 4.5 stars to 4.7 stars.

The office portfolio NABERS Energy and Water averages remained elevated due to the impacts of low occupancy driven by the lockdowns, with property teams proactively controlling building systems to minimise unnecessary energy and water use.

Key highlights from the office portfolio include:

- Improved energy ratings at 321 Kent Street and 33 Alfred Street in Sydney from 5.0 stars to 5.5 stars
- Recorded NABERS Water improvements across 20 assets including 309 Kent Street (5.5 stars), 56 Pitt Street (4.0 stars), and 33 Alfred Street (4.5 stars) in Sydney each recording 1-star improvements
- An inaugural rating for the completed South Tower at 80 Collins Street, Melbourne, achieving a 4.5 star NABERS Energy and a 5.5 star NABERS Water ratings

COMMITMENTS

- 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
- Deliver an average 5 star NABERS Indoor Environment rating across the group office portfolio by FY25, delivering initiatives to enhance occupant health and wellbeing
- Achieve an average 4 star NABERS waste rating by FY25 across the group office portfolio

Focus areas

- Looking beyond net zero to amplify impact across our value chain in line with our 1.5 degree decarbonisation journey and 2030 Science Based Target trajectories
- Sourcing 100% of electricity from renewable sources across the group's managed portfolio in the longer-term as a RE100 signatory

Asset Type	Energy	Energy (incl GP)	Water	Waste	Indoor Environment
Group Office	5.0 stars	5.3 stars	4.7 stars	3.0 stars 70% coverage	4.9 stars 70% coverage
Group Retail	4.6 stars	4.6 stars	3.8 stars		

Climate Resilience

We remain committed to reducing our climate impact by lowering emissions, adapting to climate-related risk by enhancing portfolio resilience, and influencing our value chain to collaboratively tackle the emerging climate challenges.

Conducting site-specific climate risk assessments

We identified 11 assets for site specific risk assessments to identify risks to our assets for the short and long term, how these risks are currently managed, and implement specific actions to address them. We shared learnings with the due diligence team and others to inform adaptation planning and resilience. From these site-specific climate risk assessments, we identified several key possible actions:

- Investing in ventilation maintenance and upgrades due to increased temperatures and frequency of heatwaves
- Investing in roof and façade design improvements to mitigate heat, hail, and flood impacts
- Introducing energy security measures, including for Dexus-owned generators, to mitigate against storm or heat-related power failures
- Engaging with local authorities to understand local mitigation strategies for fire and landslide risks and increase structural checks due to impacts from flooding and heatwaves

Designing resilient properties

Managing and adapting to the physical risks of climate change over the long-term has been an important consideration for the buildings in our development pipeline.



Waterfront Brisbane

Waterfront Brisbane has considered exposure to future climate risks including predicted rising sea levels and higher ambient temperatures. Resilience measures have been embedded in the development process, including:

- Flood resilience initiatives such as flood gates and reduced stormwater discharge to respond to the threat of rising sea levels and increasing catastrophic weather events
- Climate responsive design to passively reduce energy use and assist renewables in meeting demand
- All-electric base building services, with photovoltaic systems maximised in suitable areas, and a commitment to be carbon neutral in operation



Horizon 3023, Ravenhall

We have partnered with customers to integrate high performance and resilience through:

- High-efficiency lighting solutions that pair natural light harvesting via translucent roof panels together with LED fixtures with daylight control
- Rooftop solar PV arrays included as standard to provide renewable electricity for powering equipment such as electric forklifts
- Water management measures including efficient fixtures, fittings and rainwater harvesting for irrigation of drought-tolerant landscaping



Atlassian Central, Sydney

We are partnering with Atlassian on their visionary headquarters in Sydney, comprising a 39-storey hybrid timber office tower within Sydney's Tech Central precinct. This development is targeting a range of ambitious sustainability goals, including:

- 50% reduction in embodied carbon by embracing highly engineered timber products that offers significant weight reduction advantages over a traditional concrete and steel approach. This will be paired with material sourcing of low carbon products for structure, superstructure and facades for the 'cradle to gate' phases of the development
- Operating using 100% renewable electricity
- All-electric design, with fossil fuels also removed from retail and commercial kitchens

We are committed to disclosing climate-related issues in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Climate-related risks and opportunities are of growing importance when it comes to meeting our strategic objectives. Maintaining sustainable income streams requires both understanding the financial consequences of climate impacts, as well as having a solid approach to mitigating climate risks.

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	– 2022 Annual Report (page 65) – Towards Climate Resilience (page 15)
b) Describe management's role in assessing and managing climate-related risks and opportunities	– 2022 Annual Report (page 65) – 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) – 2022 Sustainability Report (pages 161–162)
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	– 2022 Annual Report (pages 61–67) – 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) – 2022 Sustainability Report (pages 160–161)
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.	– 2022 Annual Report (pages 65–67) – Towards Climate Resilience (page 16) – 2022 Sustainability Report (pages 162–163)
b) Describe the organisation's processes for managing climate-related risks.	– 2022 Annual Report (pages 65–67) – Towards Climate Resilience (page 16) – 2022 Sustainability Report (pages 162–163)
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	– 2022 Annual Report (pages 65–67) – Towards Climate Resilience (page 16) – 2022 Sustainability Report (pages 162–163)
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.	– 2022 Annual Report (pages 61–67) – 2022 Sustainability Report (pages xxx)
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	– 2022 Sustainability Report (pages 67–70)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	– 2022 Annual Report (pages 61–67) – 2022 Sustainability Report (pages 36–42)



Sustained Value

Superior long-term performance for our investors and third party capital partners, supported by integration of ESG issues into our business model.

→ Pages 46–49



Thriving People

An engaged, capable and high-performing workforce, within an inclusive environment, that delivers on our strategy.

→ Pages 50–59



Future Enabled Customers and Strong Communities

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

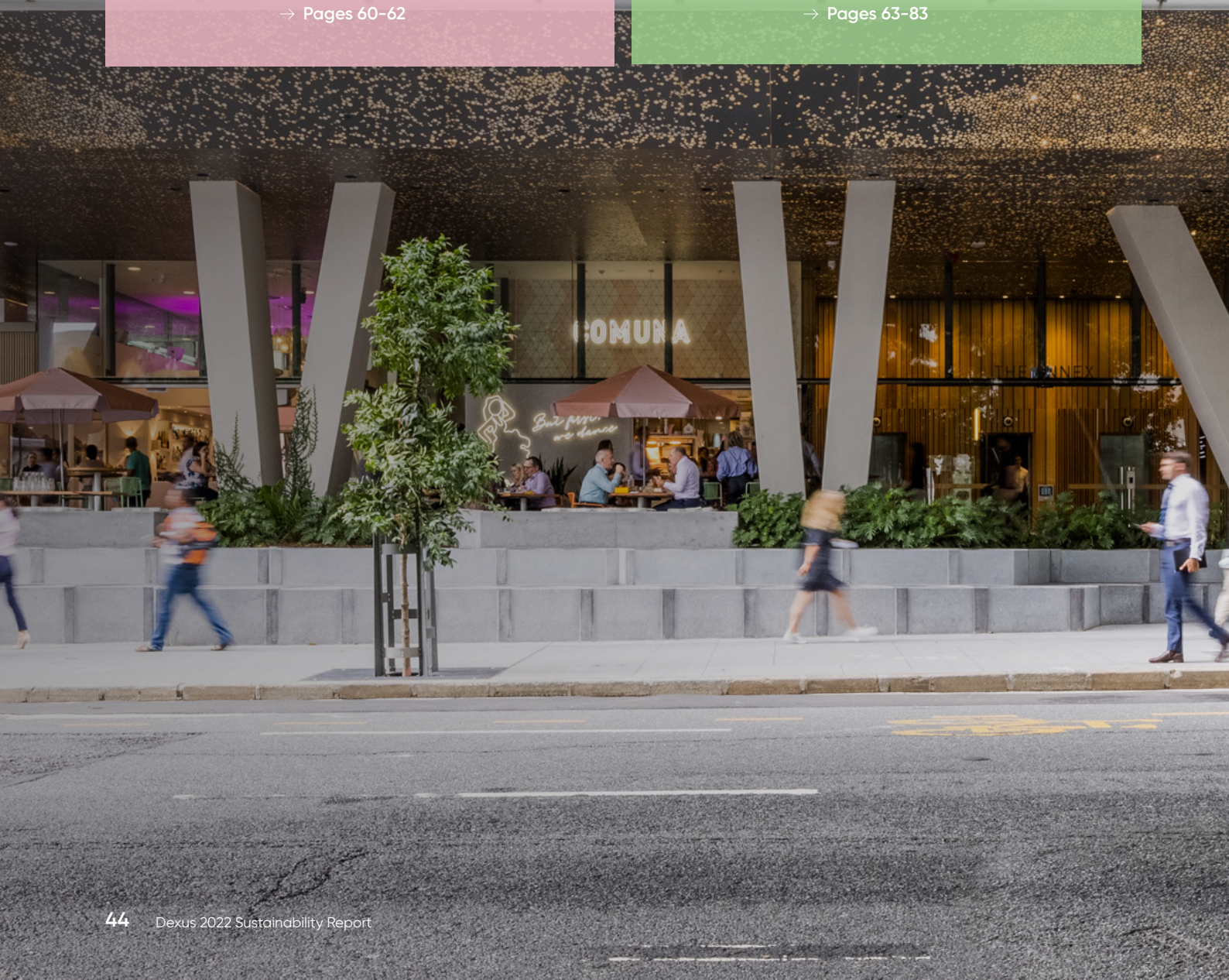
→ Pages 60–62



Enriched Environment

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

→ Pages 63–83





Sustainability Data Appendix

The Sustainability Data Appendix discloses comprehensive performance metrics for the year ending 30 June 2022.

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 capital partners
- ‘Dexus Industria REIT (DXI)’ relates specifically to the portfolio of properties in the ASX listed entity
- ‘Dexus Convenience Retail REIT (DXC)’ relates specifically to the portfolio of properties in the ASX listed entity

Any reference in this report to a ‘year’ relates to the financial year ended 30 June 2022. 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 2022 Annual Reporting Suite. Limited assurance has been obtained for the 12 months to 30 June 2022. The Assurance Statement and associated reporting criteria documents are available at page 171.

Sustained Value



The Sustained Value section of this Sustainability Data Appendix supports the performance reporting within Dexus's 2022 Annual Report.

For background on the management frameworks and procedures related to Sustained Value please refer to the 2022 Sustainability Approach and Procedures on pages 86–95.

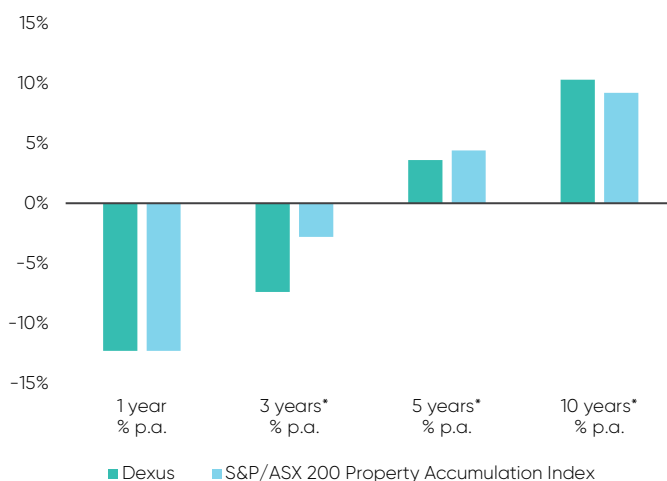
Financial highlights

Key metrics	FY18	FY19	FY20	FY21	FY22
Net profit after tax (\$m)	1,728.9	1,281.0	927.7	1,138.4	1,615.9
Adjusted Funds From Operations (\$m)	485.5	517.2	550.5	561.7	572.2
Adjusted Funds From Operations (cents per security)	47.7	50.3	50.3	51.8	53.2
Adjusted Funds From Operations per security growth (%)	5.1	5.5	0.0	3.0	2.7
Funds From Operations (\$m)	653.3	681.5	730.2	717.0	757.6
Funds From Operations (cents per security)	64.2	66.3	66.7	66.1	70.4
Distribution (cents per security)	47.8	50.2	50.3	51.8	53.2
Return on Contributed Equity (%)	7.6	10.1	9.0	8.3	9.7
NTA per security (\$)	9.64	10.48	10.86	11.42	12.28
Gearing (look-through) ¹ (%)	24.1	24.0	24.3	26.7	26.9 ²
Average maturity of debt (years)	7.0	6.7	6.9	6.2	5.5
Total security holder return (%)	7.5	39.4	-25.7	22.0	-12.3%

1. Adjusted for cash and debt in equity accounted investments.

2. Excluding Dexus's share of co-investments in pooled funds. Look-through gearing including Dexus's share of co-investments in pooled funds was 27.8% as at 30 June 2022.

Dexus total return performance (%)



Dexus portfolio snapshot

Key metrics		FY18	FY19	FY20	FY21	FY22
Portfolio value (\$A)	Dexus portfolio	\$13.3bn	\$15.6bn	\$16.5bn	\$17.5bn	\$18.4bn
	Office	\$11.0bn	\$13.2bn	\$14.2bn	\$14.0bn	\$13.3bn
	Industrial	\$2.2bn	\$2.3bn	\$2.2bn	\$3.0bn	\$4.3bn
	Healthcare	\$0.1bn	\$0.1bn	\$0.1bn	\$0.5bn	\$0.6bn
	Retail	-	-	-	-	\$0.1bn
	Other ¹	-	-	-	-	\$0.1bn
Net lettable area (sqm)	Dexus portfolio	2,869,403	3,045,759	3,157,733	3,390,818	3,912,940
	Office	1,495,238	1,546,264	1,614,907	1,475,836	1,368,977
	Industrial	1,322,557	1,447,539	1,474,970	1,842,023	2,543,963
	Healthcare	51,608	51,956	67,856	72,959	-
Funds From Operations ²	Office	\$603.8m	\$610.5m	\$671.4m	\$658.3m	\$655.6m
	Industrial	\$132.7m	\$137.3m	\$124.2m	\$122.2m	\$152.4m
Like-for-like income growth	Office	4.5%	3.4%	2.4% ³	2.3% ³	2.7% ³
	Industrial	3.0%	8.0% ⁴	(2.1)% ⁶	3.7% ⁶	3.1% ⁵
Occupancy (by income)	Office	96.0%	98.0%	96.5%	95.2%	95.6%
	Industrial	98.3%	97.0%	95.6%	97.7%	98.1%
Occupancy (by area)	Office	95.7%	97.8%	96.6%	94.6%	95.2%
	Industrial	98.8%	98.8%	97.9%	98.7%	99.0%
Lease duration (by income)	Office	4.6 years	4.4 years	4.2 years	4.6 years	4.7 years
	Industrial	4.8 years	4.7 years	4.1 years	4.4 years	4.7 years
Weighted average capitalisation rate	Dexus portfolio	5.52%	5.26%	5.05%	4.91%	4.64%
	Office	5.37%	5.15%	4.97%	4.91%	4.75%
	Industrial	6.40%	5.92%	5.66%	4.92%	4.29%
1-year total return	Office	16.9%	10.6%	7.5%	5.7%	7.1%
	Industrial	13.6%	12.9%	11.8%	23.5%	18.9%

1. Includes investments in DREP1 and real estate securities funds.

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 FY20 +2.4%, FY21 +0.9% and FY22 +4.4%.

4. Excluding one-off income in FY19 was 2.5%.

5. LFL income in FY22 excludes business parks, rent relief and provision for expected credit losses. Including business parks, effective LFL was 2.1% and face LFL was +4.0%. Including business parks, rent relief and provision for expected credit losses, effective LFL was +2.4% and face LFL was +4.1%.

6. FY20 and FY21 excluded rent relief and provision for expected credit losses, including those impacts effective LFL growth was FY20 +0.1%, FY21 +4.5%.

Capital management

Key metrics	FY18	FY19	FY20	FY21	FY22
Cost of debt ¹	4.2%	4.0%	3.4%	3.2%	2.7%
Average maturity of debt	7.0 years	6.7 years	6.9 years	6.2 years	5.5 years
Hedged debt (including caps) ²	71%	74%	78%	81%	65%
Gearing (look-through) ³	24.1%	24.0%	24.3% ⁴	26.7%	26.9% ⁵
Headroom ⁶	\$0.9bn	\$1.0bn	\$1.6bn	\$1.1bn	\$1.9bn
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. Average for the year.

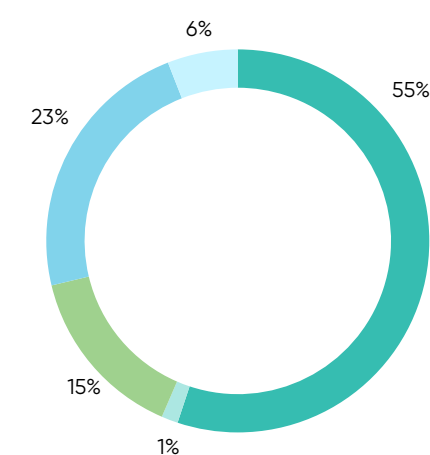
3. Adjusted for cash and debt in equity accounted investments.

4. Proforma gearing adjusted for cash and debt in equity accounted investments. Look-through gearing at 30 June 2020 was 26.3%.

5. Excluding Dexu's share of co-investments in pooled funds. Look-through gearing including Dexu's share of co-investments in pooled funds was 27.8% at 30 June 2022.

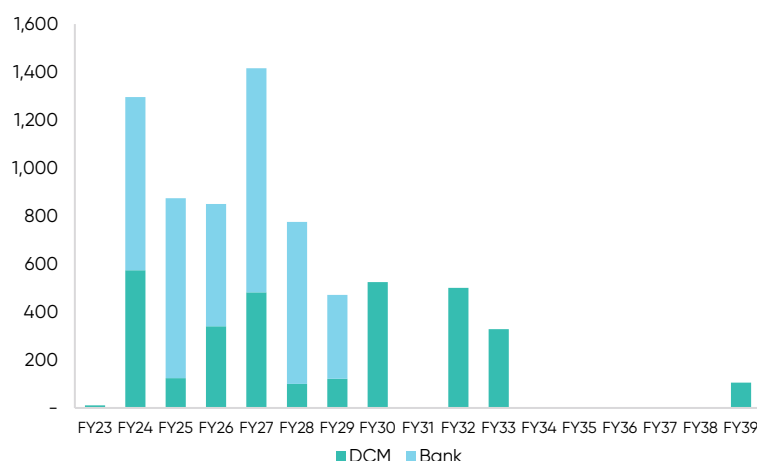
6. Undrawn facilities plus cash.

Diversified mix of debt



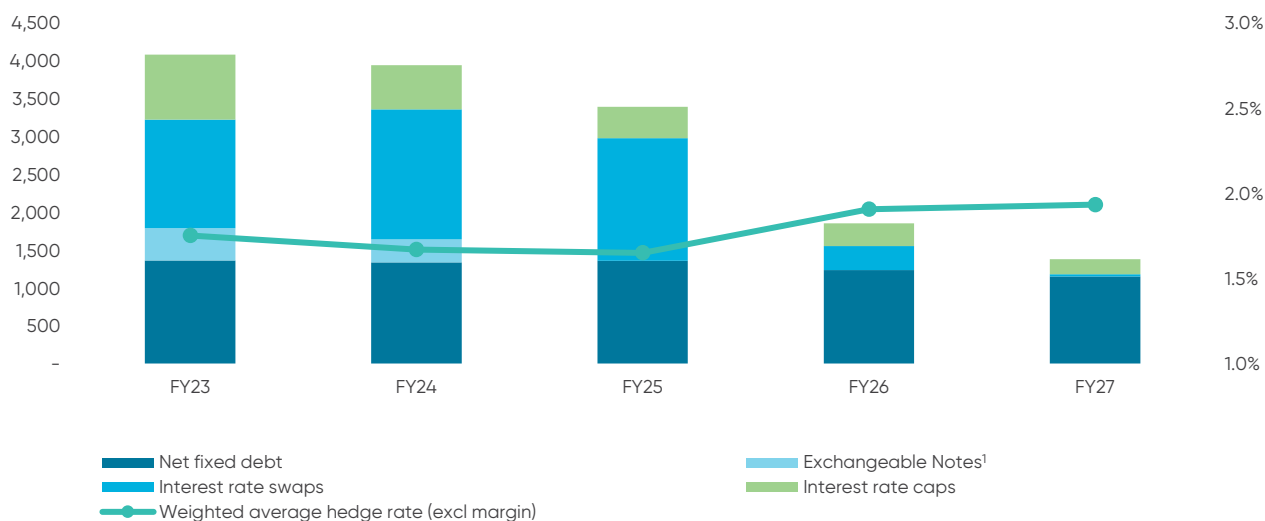
Bank facilities
USPP
Exchangeable notes
Commercial paper
MTN

Debt maturity profile¹



1. Includes \$425 million Exchangeable Notes based on investor put date in FY24. Includes \$500m bank debt facility extensions executed post 30 June 2022.

Hedged profile



1. Based on investor put date in FY24.

Debt facilities¹

		Facility limit (A\$m)	Drawn (A\$m)	Maturity dates	Currency
Bilateral bank debt		500	500	FY24	A\$
		600	577	FY25	A\$
		450	160	FY26	A\$
		850	104	FY27	A\$
		675	-	FY28	A\$
		350	100	FY29	A\$
Commercial paper ²		100	100	FY24	A\$
Medium term notes		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	Jul-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 ⁴		425	425	Mar-24	A\$
Subtotal		6,625	4,639		
Currency translation and fair value adjustments		292	292		
Deferred borrowing costs and debt modifications		(31)	(31)		
Exchangeable Notes adjustments		(18)	(18)		
Total interest-bearing liabilities		6,867	4,882		
Bank guarantees utilised			(114)		
Cash			75		
Headroom including cash			1,946		

1. Does not include debt facilities in equity accounted investments or Dexu's share of co-investments in pooled funds. Includes \$500m bank debt facility extensions executed post 30 June 2022.

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 2022 Sustainability Performance Pack.

For background on the management frameworks and procedures related to our workforce please refer to the 2022 Sustainability Approach and Procedures on pages 109–119.

Workforce statistics

	FY18		FY19		FY20		FY21		FY22	
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	286.0	269.0
Fixed term full-time ¹	13.0	14.0	11.0	27.0	12.0	15.0	13.0	15.0	14.0	18.0
Permanent part-time ¹	0.0	26.8	0.0	31.3	0.8	27.3	0.9	26.3	0.9	29.3
Fixed term part-time ¹	0.0	2.0	0.0	4.8	1.4	2.4	0.0	2.8	0.0	1.4
Contractor	–	–	–	–	–	–	–	–	–	–
Casual	5.8	8.4	7.6	12.2	1.8	1.0	0.0	0.0	0.8	0.0
Total workforce by gender	194.8	232.2	225.6	291.3	244.0	282.5	238.9	284.1	301.7	317.7
Total workforce	427.0		516.9		526.5		523.0		619.4	
Contingent workers ²	49.0		54.4		49.0		53.2		95.9	
Workforce by location (%)										
NSW	38	42	36	46	39	46	38	45	37	40
QLD	4	5	4	4	3	3	3	3	3	4
VIC	3	6	3	5	4	4	5	5	7	7
WA	1	1	1	1	1	1	1	1	1	1

1. From FY18, Dexu 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 Dexu to perform work prescribed by Dexu, usually at a Dexu 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 Dexu having both control of work and control of the workplace. Note the distinction with 'site-based contractor' as defined on page 56.

Engagement and flexible working

Metric	FY18		FY19		FY20		FY21		FY22	
Employee engagement										
Survey participation rate (%)	82		75		74		70		84	
Engagement rate ^{2, 3} (%)	87		81 ²		83		71		70 ³	
Employee Net Promoter Score ⁴	–		+40		+61		+43		+33 ⁴	
Flexible working	M	F	M	F	M	F	M	F	M	F
No. of formal flexible work arrangements ⁵	16	75	38	102	45	11	29	110	26	58
No. of flexible/hybrid work arrangements ⁶	–	–	–	–	–	–	–	–	156	175

1. Engagement information is sourced directly from internal employee engagement surveys administered during the year (our Employee Listening Strategy is detailed on page 111). The figures reported above are an average of employee surveys administered during the reporting period.
2. In FY19, Dexu 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. In FY22, Dexu began measuring engagement on a new platform, Culture Amp. The FY22 engagement score is the aggregated measure of five questions, rather than three questions in previous years. The engagement score reported in FY22 are thus not directly comparable to previous years and should not be considered indicative of a trend.
4. The Employee Net Promoter Score (eNPS) reported for FY22 is the score for October 2021 only. ENPS is based on a scale of –100 to +100.
5. 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 and hybrid 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.
6. The number of flexible/hybrid working arrangements reported includes employees accessing ad-hoc flexibility, usually while still maintaining their normal workload.

Inclusion and diversity

Gender diversity

Gender diversity in the workforce	FY18		FY19		FY20		FY21		FY22	
Dexus workforce by gender	#	%	#	%	#	%	#	%	#	%
Female employees (FTE)	232.2	54	291.3	56	282.5	54	284.1	54	317.7	51
Male employees (FTE)	194.8	46	225.6	44	244.0	46	238.9	46	301.7	49
Total employees (FTE)	427.0		516.9		526.5		523.0		619.4	
Female employees (headcount)	249	56	310	58	300	54	307	55	338	52
Male employees (headcount)	199	44	229	42	252	46	252	45	309	48
Total employees (headcount)	448		539		552		559		647	
Gender diversity in management ^{1,2}	#	%	#	%	#	%	#	%	#	%
Females in senior management (FTE)	39.3	34	47.7	36	- ¹	-	-	-	-	-
Males in senior management (FTE)	77.8	66	83.8	64	-	-	-	-	-	-
Total employees in senior management (FTE)	117.1		131.5		-		-		-	
Females in senior management (headcount)	41	36	50	37	49	36	52	35	59	36
Males in senior management (headcount)	78	66	84	63	89	64	98	65	105	64
Total employees in senior management (headcount)	199		134		138		150		164	
Females in executive (headcount)	-	-	2	25	2	25	3	30	3	33
Males in executive (headcount)	-	-	6	75	6	75	7	70	6	67
Total employees in executive team (headcount)	-		8		8		10		9	
Females in all management (headcount)	-	-	157	51	156	47	160	47	189	45
Males in all management (headcount)	-	-	151	49	177	53	178	53	227	55
Total employees at all management levels (headcount)	-		308		333		338		416	
Board gender diversity	%		%		%		%		%	
Percentage of female Non-Executive Directors	43		43		37.5		42.9		43	
Percentage of male Non-Executive Directors	57		57		62.5		57.1		57	

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. FY22 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.

Cultural diversity

Main cultural/ethnic identity	FY21	FY22
% of survey respondents		
Australian	60.5	56.9
British	4.1	6.7
Chinese Asian	3.1	5.4
Multi-ethnic	3.1	4.0
Mainland South East Asia	3.8	3.3
New Zealandar	2.3	2.3
Southern Asian	2.3	1.9
Western European	2.0	1.7
Eastern European	1.0	1.7
Southern European	1.3	1.5
Maritime South East Asian	0.8	1.5
Southern and East African	1.0	1.1
Other	1.8	0.8
Irish	2.0	0.8
North African and Middle Eastern	0.3	0.8
Arab	0.8	0.6
Northern European	0.5	0.6
Other North East Asian	0.3	0.6
Southern Eastern European	0.3	0.6
South American	-	0.2
North American	0.8	0.2
Jewish	0.3	-
Polynesian	-	-
Aboriginal/Torres Strait Islander	-	-

Commentary

Data is sourced from Dexus's May 2022 internal employee Pulse survey, which asked employees "How would you describe your own MAIN identity in cultural/ethnic terms?" Of the 643 employees invited to respond to the survey, 522 (81%) employees provided a response to this question (including employees who selected "Prefer not to say").

Country of origin

Country/region of birth	FY21	FY22
% of survey respondents		
Australia	69.2	68.2
Other country not listed	3.6	4.4
Chinese Asia (includes Mongolia)	2.3	3.3
New Zealand	3.1	2.5
Southern and East Africa	1.0	2.5
Southern Asia	2.8	2.1
Maritime South-East Asia	1.8	1.3
Mainland South-East Asia	1.8	1.3
Ireland	0.5	0.8
Western Europe	1.3	0.8
Eastern Europe	0.8	0.4
South America	0.5	0.4
Japan and the Koreas	0.3	0.4
United Kingdom, Channel Islands and Isle of Man	4.6	0.4
Middle East	-	0.2
South Eastern Europe	-	0.2
Northern America	0.8	0.2
Northern Europe	0.5	-
North Africa	0.3	-
Melanesia	-	-

Commentary

Data is sourced from Dexu's May 2022 internal employee Pulse survey, which asked employees "Which country were you born in?" Of the 643 employees asked to respond to the survey, 522 (81%) employees provided a response to this question (including employees who selected "Prefer not to say").

Age diversity

Employee age range	FY18		FY19		FY20		FY21		FY22	
% by headcount	M	F	M	F	M	F	M	F	M	F
Under 30 years old by gender	7	12	6	15	8	13	9	13	10	12
Under 30 years old all employees	18		21		21		22		23	
30 to 50 years old by gender	31	36	30	37	31	36	28	36	29	34
30 to 50 years old all employees	68		66		66		64		63	
Over 50 years old by gender	8	6	7	6	7	6	8	6	9	6
Over 50 years old all employees	14		13		13		14		15	

Leave and absenteeism

Metric	FY18	FY19	FY20	FY21	FY22
Leave days taken (days)					
Annual leave	6,447	6,976	7,666	7,611	8,147
Long service leave	140	108	61	113	66
Parental leave unpaid	686	771	2,234	2,425	2,790
Parental leave paid	1,148	1,317	1,291	1,862	1,957
Sick and carer's leave	1,197	1,327	1,274	1,256	1,938
'Dexus days'	1,552	1,571	1,903	2,172	1,827
Leave without pay	256	296	312	92	380
Other leave	438	205	266	301	379
Absenteeism					
Absentee Rate (sick days lost per FTE) ¹	2.8	2.6	2.4	2.4	3.1

1. FY22 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:
 Absentee Rate = (Total number of Personal Leave days taken) / (Closing FTE)

Work health and safety

Metric	FY18	FY19	FY20	FY21	FY22
Dexus employee WHS incidents					
Recorded injuries	18	19	5	10	21
Lost-time injuries/diseases	1	0	0	2	0
Cases of work-related ill health	0	0	0	1	0
Fatalities	0	0	0	0	0
Lost Time Injury Incidence Rate (LTIR)	0.23	0	0	0.38	0
Lost Time Injury Frequency Rate (LTIFR) ¹	1.28	0	0	2.10	0
Occupational disease rate (occurrences per million hours worked)	0	0	0	0	0
Lost day rate (days lost per million hours worked)	7.7	0	0	68.14	0
Site-based contractor WHS incidents²					
Recorded injuries	–	–	21	20	35
Lost time injuries	–	–	10	0	6
Fatalities	–	–	0	0	0
LTIFR	–	–	2.99	0	2.26
Recorded hours worked	–	–	3,343,131	2,382,271	2,657,742
Employee relations matters					
Fraud, bribery and corruption	–	0	0	0	0
Discrimination	–	0	0	0	0
Privacy	–	0	1	0	1
Other Whistleblower matters	–	1	0	0	0
Other Employee Code of Conduct breaches	–	0	5	6	7
Employee relations matters	1	– ³	–	–	–

1. FY22 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.

Definitions

Term	Description
Fatalities	Fatalities that occur as a result of an injury or disease occurrence.
Lost day rate (LDR)	The number of days lost to injuries/diseases for each one million hours worked is calculated as follows: $\text{LDR} = \frac{\text{days lost due to injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$
Lost Time Injury Frequency Rate (LTIFR)	The number of occurrences of injury or disease for each one million hours worked is calculated as follows: $\text{LTIFR} = \frac{\text{number of lost time injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$
Lost Time Injury Incidence Rate (LTIIR)	The number of occurrences of injury/disease for each one hundred full time equivalent employees is calculated as follows: $\text{LTIIR} = \frac{\text{number of lost time injuries/diseases}}{\text{number of full-time equivalent employees}} \times 100$
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 2022. 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	Is defined as the number of workers who were employed by Dexus as recorded at the end of 30 June 2022. 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.
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)	The number of occurrences of occupational diseases for each one million hours worked is calculated as follows: $\text{ODR} = \frac{\text{number of occurrences of occupational diseases}}{\text{number of hours worked}} \times 1,000,000$
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 50.

Recruitment

Metric	FY18		FY19		FY20		FY21		FY22	
	M	F	M	F	M	F	M	F	M	F
Total number of new hires	64	127	108	173	111	144	130	164	169	208
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	FY18		FY19		FY20		FY21		FY22	
	M	F	M	F	M	F	M	F	M	F
Voluntary turnover rate (%)										
Executive management	17	-	-	-	-	-	-	-	7	0
Senior management	3	8	13	9	3	4	5	13	14	13
Middle management	21	41	7	12	12	-	8	13	7	20
Professional/technical	22	15	19	16	5	13	14	11	22	24
Administration/operations	4	18	11	20	15	21	-	15	13	25
Total voluntary turnover by gender	13	16	14	15	6	12	8	12	16	22
Total voluntary turnover	15		14		9		10		19	
All turnover (%)	%	%	%	%	%	%	%	%	%	%
All turnover by gender	-	-	19	23	21	37	18	19	20	28
All turnover	1		21		30		18		24	
Key talent retention rate (%)										
Key talent retention	-		-		95		100		100	
Parental leave retention rates										
Employees entitled to take parental leave	181.8	216.2	218	276	238	282	197	241	287	307
Employees that took parental leave in reporting year ¹	7.0	14.0	5	23	16	30	23	41	23	39
Returned to work in reporting year after parental leave ¹	7.0	12.0	5	21	16	29	23	38	23	35
Return to work rate (%)	100	86	100	91	100	97	100	93	100	90
Returned to work after parental leave and remained at Dexus after 12 months	100	92	100	100	100	90	14	6	16	16

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.

Training and development

	FY18		FY19		FY20		FY21		FY22	
Metric	M	F	M	F	M	F	M	F	M	F
Training hours by work category										
Executive management	689	222	644	145	481	139	583	222	249	145
Senior management	1,785	984	1,891	1,205	1,966	1,187	2,649	1,410	1,142	943
Middle management	582	462	582	550	555	689	487	727	1,252	580
Professional/technical	856	1,727	1,404	2,590	2,245	3,331	1,964	3,097	1,630	1,461
Administration/operations	263	438	308	1059	527	1,153	405	1,101	246	827
Total	4,175	3,833	4,829	5,547	5,775	6,499	6,088	6,557	4,519	3,956
Average training hours by work category										
Executive management	57	111	54	48	34	46	42	56	17	48
Senior management	27	26	26	19	26	27	32	29	13	17
Middle management	24	29	21	23	24	23	19	24	27	13
Professional/technical	12	14	16	17	20	22	19	20	13	9
Administration/operations	11	9	12	16	24	23	14	16	8	10
Average training hours by gender	21	17	21	19	24	23	24	21	15	12
Hours of internal and external training										
Internal	2,312		3,760		2,820		3,251		955	
External	1,898		2,389		2,361		747		3,356	
Hours of compliance training	3,798		4,228		7,094		8,648		4,169	
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 Dexus'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 Dexus Code of Conduct which addresses discrimination, harassment and bullying.

Remuneration ratios

Metric	FY18		FY19		FY20		FY21		FY22	
	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	1.1	1.0	0.9	1.0	0.9	1.0	1.0	1.0
Senior management	1.2	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.1	1.0
Middle management	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Professional/technical	1.1	1.0	1.1	1.0	1.1	1.0	1.1	1.0	1.0	1.0
Administration/operations	1.1	1.0	1.2	1.0	1.0	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		39.6:1	
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:-2 ²		0:5	

1. 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
2. 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 2022 Sustainability Performance Pack.

For background on the management frameworks and procedures related to our workforce please refer to the 2022 Sustainability Approach and Procedures on pages 120-140.

Customer experience

	FY18	FY19	FY20	FY21	FY22 ¹
Surveyed overall satisfaction with Property Manager (score out of 10)					
Office	8.3	8.6	8.6	8.6	8.6
Industrial & Healthcare	8.3	8.6	8.8	8.3	7.9
Retail	7.8	8.2	8.2	8.7	n/a
Net Promoter Score (score between -100 and +100)					
Office	+33	+46	+47	+49	+47
Industrial & Healthcare	+28	+45	+63	+31	+20
Retail	–	+27	+39	+24	n/a
Survey participation rate (%)					
Office	46	48	42	54	54
Industrial & Healthcare	45	46	27	25	29
Retail	79	78	79	83	n/a

1. In FY22 we initiated customer surveys for customers in our healthcare portfolio.

Green leases

Take-up of green leases within new lease agreements (%)	FY18	FY19	FY20	FY21	FY22
Office	97	92	98	93	95
Industrial	68	62	88	95	97
Retail	100	100	100	100	100
Healthcare	–	–	–	–	100
Total portfolio	91	90	97	96	96

Commentary

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

Community contribution

Volunteering and donations

	FY18	FY19	FY20	FY21	FY22
Value donated or raised					
Corporate donations (\$)	296,078	263,118	455,065	196,334	353,242
Employee volunteering activities (\$)	74,858	147,189	44,916	21,231	58,172
In-kind support (\$)	626,596	794,729	632,544	614,237	253,171
Commercial initiatives ¹ (\$)					144,420
Total (\$)	997,532	1,205,035	1,132,525	831,802	809,005
Hours volunteered					
Dexus volunteering program (hours)	878	1,711	493	220	621

1. Commenced reporting in FY22

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.

Commercial initiatives

Refers to business-related activities in the community to directly support the success of the company in partnership with charities or community organisations.

Activities may include:

- Sponsorship of events, publications and activities that promote corporate brands or corporate identity
- Support for universities, and research and other charitable institutions related to the company's business
- Exceptional one-off gifts of property and other assets

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.

Supply chain

Procurement and supply chain monitoring	FY18	FY19	FY20	FY21	FY22
Critical suppliers	111	96	175	94	90
Critical suppliers % of operational spend	45	38	37	44	38%
Supplier Net Promoter Score ¹	+67	+66	+51	+66	+75
Supplier assessment and monitoring					
Supplier engagement assessment response rate (%)	35	68	70	31	11%
Assessment coverage of operational spend (%)	26	38	53	27	2%
Contractor monitoring spot checks conducted	1,190	1,163	1,150	1,357	1,415
Contractor monitoring coverage of operational spend (%)	39	41	36	43	55%

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 Supplier List

Operational procurement spend breakdown	%	Environmental and social risk rating (key risks)
Capital Works	31	High (safety, product country of origin human rights, product recyclability, worker skill levels, appropriate wages and benefits, subcontracting)
Statutory fees and levies	20	Very low
Cleaning	8	High (appropriate wages and benefits, migrant labour, safe handling of chemicals, waste environmental impacts)
Maintenance & other property expenses	18	Low
Facility managers & management expenses	3	Very low
Mechanical & vertical transport	1	Medium (safety, working in confined spaces, accreditation systems)
Energy	4	Medium (greenhouse gas emissions, land degradation, price and supply reliability)
Security	4	Medium (safety, worker skill levels, public relations)
Electrical, fire protection and plumbing	2	Low
Legal, insurance and compliance	1	Low
Marketing & leasing	3	Low
Façade and grounds keeping	1	High (product country of origin human rights, product recyclability, worker skill levels, appropriate wages and benefits, safety)
Water	1	Medium

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 2022 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 2022 Sustainability Performance Pack.

For background on the management frameworks and procedures related to environmental matters please refer to the 2022 Sustainability Approach and Procedures on pages 141-155.

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 CFCs/HFCs). 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
HFCs	Hydrochlorofluorocarbons (HFCs) 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 HFCs 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, convenience retail, hotels and healthcare properties owned or managed by Dexus for part or all of the 12 months ending 30 June 2022, with the inclusion of Dexus corporate tenancies.

Dexus has prepared its environmental dataset to fully align with the Greenhouse Gas Protocol, and the National Greenhouse and Energy Reporting Act and Climate Active Carbon Neutral Standard calculation methods and factors where applicable. 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
Dexus operational control for corporate reporting and carbon neutrality	
Dexus 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. Dexus 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 Dexus has operational control of a facility, it reports 100% of energy, water, waste and emissions applicable to base building operations. Dexus 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. The boundary includes environmental data and emissions relating to Dexus's corporate operations, comprising Dexus 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 Dexus nationally. This boundary also serves as Dexus's 'Organisation carbon neutral boundary' for the purposes of achieving carbon neutrality under Australia's Climate Active Carbon Neutral Standard.	– Group managed portfolio – environmental inventory and intensities pages 65–68 – Progress against commitments and performance targets page 71 – Achieving carbon neutrality under Australia's Climate Active Carbon Neutral program
Equity share boundary based on landlord control for fund reporting	
'Landlord controlled' and 'tenant controlled' areas are defined by GRESB within its 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 Dexus entity on an equity share basis, irrespective of whether Dexus 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.	– NABERS portfolio averages page 75 – Portfolio environmental metrics and intensities (pages 72–83): • Dexus group portfolio • Dexus (DXS) listed portfolio • Dexus Industria REIT (DXI) portfolio • Dexus Convenience Retail REIT (DXC) portfolio

Location-based vs market-based emissions accounting

Dexus 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 Dexus's target to achieve net zero greenhouse gas (GHG) emissions by 2022, since 2018 Dexus 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 purchases Agreements or GreenPower and supplied via retailers in line with Australia's Renewable Energy Target.

Dexus 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 Dexus 2022 Assurance Criteria at pages 182–196 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	FY18	FY19	FY20	FY21	FY22
Greenhouse gas emissions (t CO₂-e) – Group managed portfolio						
Scope 1	6,226	18,943	17,743	17,300	15,735	12,828
Scope 2 (location-based)	151,951	131,218	127,353	117,610	98,048	94,243
Subtotal Scope 1 & 2	158,177	150,161	145,096	134,910	113,783	107,071
Scope 3 – property portfolio	27,600	36,280	32,585	27,549	21,312	21,040
Scope 3 – corporate operations	–	1,859	2,335	1,467	617	755
Total Scopes 1, 2 & 3⁴	185,776	188,300	180,017	163,927	135,711	128,866
Energy and water consumption						
Total net energy consumption (GJ) ⁴	735,723	723,646	689,530	641,699	563,515	578,416
Total net energy consumption (MWh)	204,368	201,013	191,536	178,250	156,532	160,671
Water consumption (kL) ⁴	1,350,003	1,771,962	1,727,830	1,520,543	1,095,777	1,051,071
Waste and recycling						
Waste to Landfill (tonnes)	4,475	10,451	9,616	8,022	5,259	4,881
Recycling (tonnes) ²	4,118	7,001	6,363	4,934	2,894	2,798
Total waste (tonnes)^{2,4}	8,593	17,452	15,978	12,956	8,154	7,679
Diversion (%)	48%	40%	40%	38%	35%	36%
Waste data coverage across portfolio ³	74%	99%	100%	100%	100%	98%

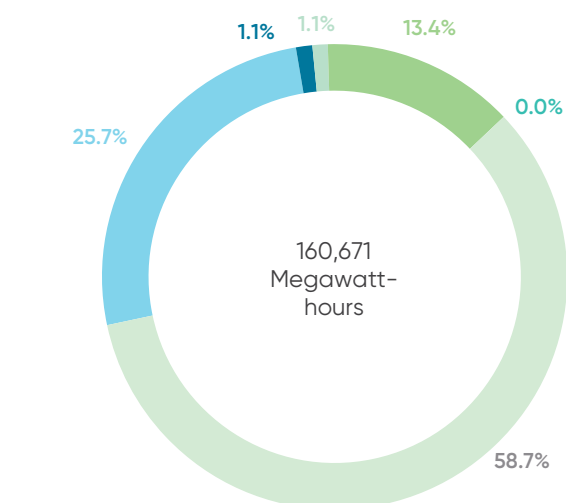
1. FY08 represents the group's base year for energy, water and greenhouse gas emissions. FY12 represents the group's base year for waste diversion from landfill.

2. Excludes secure paper.

3. Coverage by net lettable area across office and retail portfolio, and excludes industrial, healthcare and convenience retail properties.

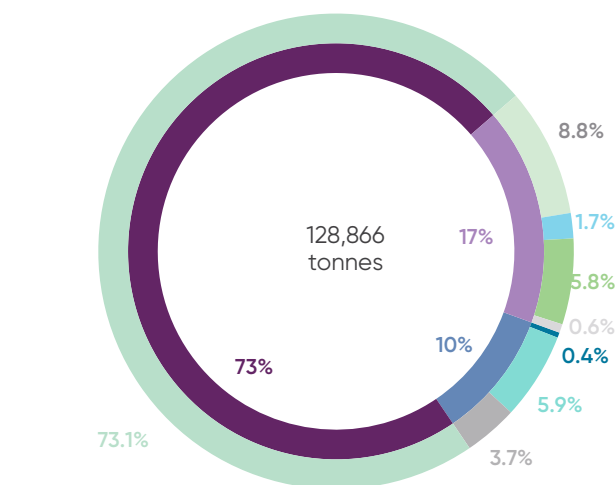
4. FY22 data independently assured.

FY22 net 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

FY22 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

Group managed portfolio – consumption/emissions on an intensity basis

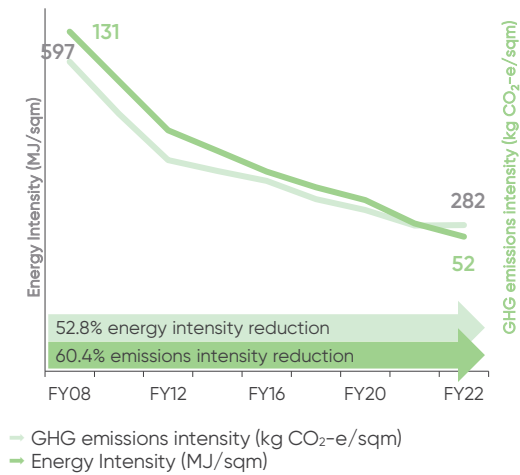
Metric	Managed portfolio				Like-for-like ²		12 month change
	Base year ¹	FY20	FY21	FY22	FY21	FY22	
Group Office portfolio							
Energy consumption (MJ/sqm)	597	311	281	282	281	289	2.7%
Water consumption (L/sqm)	893	585	399	352	386	349	-9.8%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	131	66	57	52	56	53	-5.8%
Scope 1 & 2 market based emissions (kgCO ₂ -e/sqm)	116	60	50	6	48	6	-87.3%
Waste diversion from landfill	59%	41%	38%	40%	39%	40%	2.2%
Group Retail portfolio							
Energy consumption (MJ/sqm)	489	324	293	290	302	338	11.8%
Water consumption (L/sqm)	1,267	906	780	774	795	877	10.4%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	94	65	55	53	57	62	9.3%
Scope 1 & 2 market based emissions (kgCO ₂ -e/sqm)	94	65	55	8	57	9	-83.6%
Waste diversion from landfill	29%	34%	33%	35%	33%	35%	6.2%
Group Industrial portfolio							
Energy consumption (MJ/sqm)	51.6	13.4	15.5	22.1	15.4	17.6	41.5%
Water consumption (L/sqm)	237	254	244	163	278	164	-26.9%
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	12.9	2.8	3.1	4.6	3.0	3.7	52.7%
Scope 1 & 2 market based emissions (kgCO ₂ -e/sqm)	12.9	2.8	3.1	0.8	3.0	0.6	-73.3%
Waste diversion from landfill	-	-	-	16%	-	-	-
Group Healthcare portfolio							
Energy consumption (MJ/sqm)	-	-	270	368	-	-	-
Water consumption (L/sqm)	-	-	314	435	-	-	-
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	-	-	48	55	-	-	-
Scope 1 & 2 market based emissions (kgCO ₂ -e/sqm)	-	-	48	7	-	-	-
Group Convenience Retail portfolio							
Energy consumption (MJ/sqm)	-	-	-	68	-	-	-
Water consumption (L/sqm)	-	-	-	1,649	-	-	-
Scope 1 & 2 location-based emissions (kgCO ₂ -e/sqm)	-	-	-	15	-	-	-
Scope 1 & 2 market based emissions (kgCO ₂ -e/sqm)	-	-	-	0	-	-	-

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.

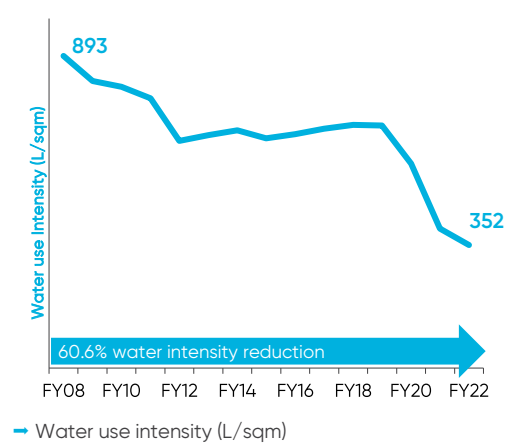
2. Properties under landlord control for FY21 and FY22 periods.

Group managed portfolio – consumption/location-based emissions on an intensity basis

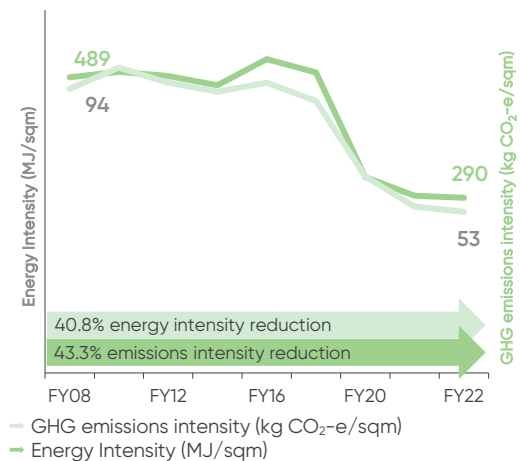
Group Office – Energy and GHG emissions intensity



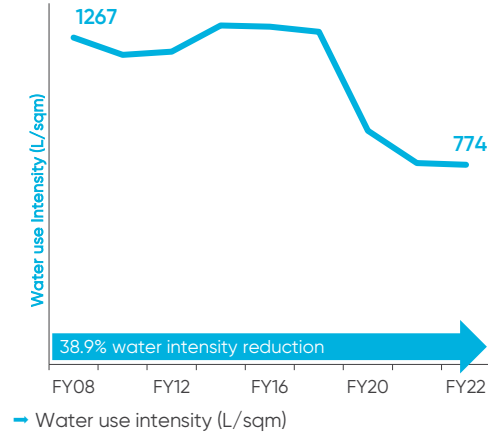
Group Office – Water use intensity



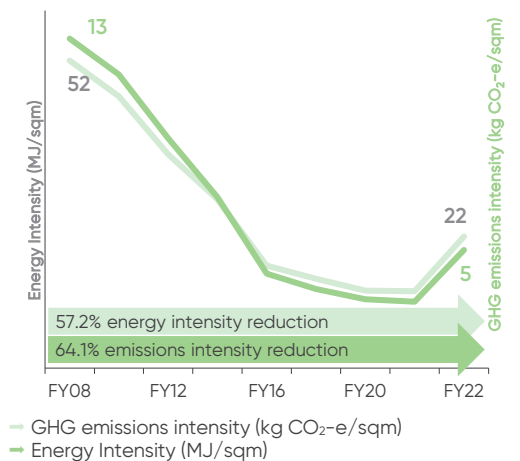
Group Retail – Energy and GHG emissions intensity



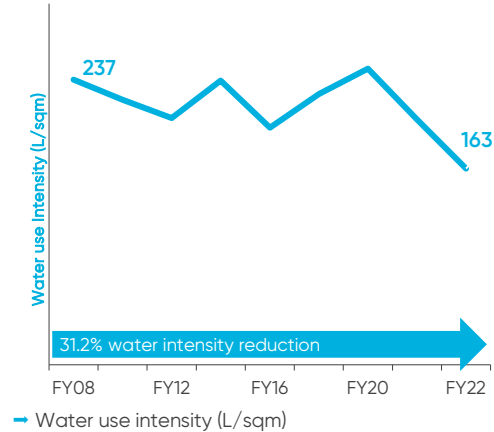
Group Retail – Water use intensity



Group Industrial – Energy and GHG emissions intensity



Group Industrial – Water use intensity



Group managed portfolio – Net-greenhouse gas emissions inventory

Metric		FY08	FY18	FY19	FY20	FY21	FY22
Grid-purchased electricity							
Renewable Electricity – Direct voluntary renewable electricity purchases supported by an energy attribute certificate	GJ	54,092	13,871	25,743	33,940	45,009	339,694
	MWh	15,025	3,853	7,151	9,428	12,502	94,360
Renewable Electricity – Renewable energy portion of grid-purchases (LGCs) via Energy Retailers in line with Australia's Renewable Energy Target (RET)	GJ	35,547	83,651	94,435	96,342	80,582	77,569
	MWh	9,874	23,236	26,232	26,762	22,384	21,547
Non-renewable Electricity – Balance of grid-purchases via Energy Retailers accounted using grid residual mix emission factors	GJ	525,348	454,992	424,745	377,984	300,205	0
	MWh	145,930	126,387	117,985	104,995	83,390	0
Total grid-purchased electricity consumption	GJ	614,987	552,514	544,923	508,265	425,795	417,264
	MWh	170,830	153,476	151,368	141,185	118,277	115,907
Market-based GHG emissions (t CO₂-e)²							
Scope 1 GHG emissions (t CO ₂ -e)		6,226	18,943	17,743	17,300	15,735	12,828
Scope 2 market-based GHG emissions (t CO ₂ -e), comprising:		137,441	127,417	120,035	107,933	85,405	0
<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	127,417	120,035	107,933	85,405	0
Scope 3 GHG market-based emissions (t CO ₂ -e)		25,058	37,596	34,053	27,953	20,488	11,670
Scope 1, 2 & 3 market-based GHG emissions (t CO₂-e)		168,725	183,956	171,831	153,186	121,628	24,498
Voluntary offsetting							
Voluntary carbon offsets units surrendered by Dexus ¹		0	3,000	3,725	5,000	5,801	24,498
Net GHG emissions (t CO₂-e)²		168,725	180,956	168,106	148,186	115,827	0

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. FY22 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.

Climate Active Program

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.

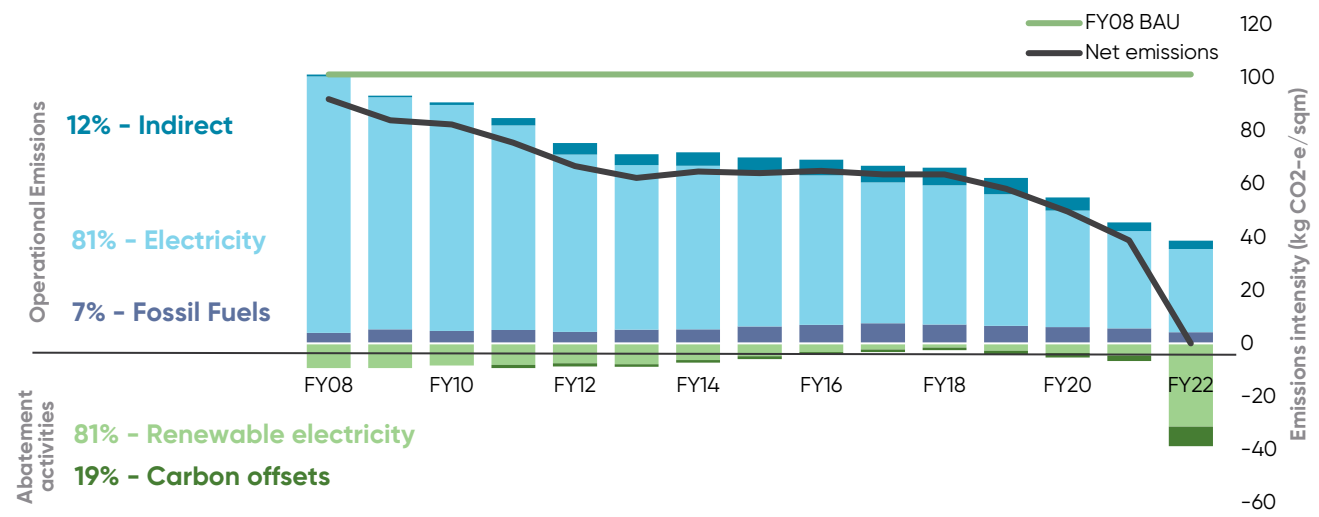
In 2011 Dexus was the first real estate investment trust in Australia to achieve a carbon neutral certification for our head office. In FY22 Dexus is expanding its inventory to include its corporate offices and managed property portfolio.

The inventory in the table above will form the basis of Dexus's FY22 Climate Active Certification, which has commenced and is targeted for completion prior to October 2022.

Dexus - Net greenhouse gas emissions intensity

Dexus's track record towards net zero emissions is illustrated below. The group's Scope 1, 2, and 3 location-based operational emissions intensity (shown as bars above the line) demonstrates continued reductions from ongoing investment in energy efficiency, and for FY22 this amounts to a 62% reduction against FY08.

Of the remaining emissions, 81% has been avoided by sourcing renewable electricity and the final 19% has been balanced through carbon offsets.



Carbon Offsets

To reach net zero emissions, Dexus has retired offsets from the following domestic and international projects. Carbon removal projects represent 53% of units, domestic projects represent 57% of units and nature-based projects represent 97% of units retired.

Project Type	Location	Project Name	Unit Type	Vintage	Units retired
Domestic units					
Carbon removal – Environmental Plantings	WA	Carbon Conscious Carbon Capture Project 1	ACCU	2017/18	1,954
	WA	Western Farm Trees Restoration	ACCU		457
	NSW	Longdowns Regeneration Project	ACCU	2020/21	4,655
Carbon removal – Human Induced Regeneration	NSW	Darling River Eco Corridor #30	ACCU	2021/22	1,295
	QLD	Flanders Carbon Project	ACCU	2020/21	3,493
	QLD	Jandra / Nulty Regeneration	ACCU	2020/21	1,918
Carbon avoidance – Savanna Fire Management	WA	Nyaliga Fire Project	ACCU	2021/22	1,129
Total domestic units					14,901
International units					
Carbon Avoidance – Agriculture Forestry and Other Land Use	Brazil	Jari/Pará REDD+ Project	Verified Carbon Unit	2016/17	5,000
		JARI/AMAPÁ REDD+ Project		2016/17	1,985
		PACAJAI REDD+ PROJECT		2016	3,300
Renewable Energy – Biomass	India	1.6 MW Bundled Rice Husk Based Cogeneration Plant by M/s Milk food Limited (MFL) in Patiala (Punjab) & Moradabad (U.P) Districts	Verified Carbon Unit	2018	687
Total International Units					10,972
Total offset units retired against FY22 Group Inventory¹ (t. CO₂-e)					25,873
FY22 net emissions requiring offsetting (t. CO₂-e)					24,498
Balance (Offsets retired in excess of FY22 Group Inventory) (t. CO₂-e)					1,375

1. Each offset represents a reduction or removal of one tonne of carbon dioxide equivalent (CO₂-e).

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, advancing 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 2022 progress (t CO ₂ -e)	FY18	FY19	FY20	FY21	FY22
Total Scope 1 & 2 market-based GHG emissions	146,360	137,778	125,233	101,140	12,828
Scope 3 market-based GHG emissions	37,596	34,053	27,953	20,488	11,670
Voluntary abatement via Certified Offsets	-3,000	-3,725	-5,000	-5,801	-24,498
Total net greenhouse gas emissions	180,956	168,106	148,186	115,827	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	FY22	FY30 target
Dexus Scope 1 emissions (t CO ₂ -e)	18,943	17,743	17,300	15,735	12,828	-
Dexus Scope 2 market-based emissions (t CO ₂ -e)	127,417	120,035	107,933	85,405	0	-
Dexus Scope 1 & 2 market-based emissions (t CO ₂ -e)	146,360	137,778	125,233	101,140	12,828	44,396
Net lettable area (sqm)	2,843,921	2,886,520	2,984,447	2,980,445	3,330,053	-

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

100% renewable electricity target	FY18	FY19	FY20	FY21	FY22	FY30 target
Proportion of electricity needs sourced from renewables	18%	22%	26%	30%	100%	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	FY19	FY20	FY21	FY22	FY25 target
Group office portfolio average	-	-	4.7	4.9	5.0
Net lettable area covered (%)	-	-	65%	70%	>95%

Dexus group portfolio – Environmental metrics

Energy consumption and production by source

Energy		FY08 ¹	FY18	FY19	FY20	FY21	FY22
Fuels	Natural gas	33,272	45,942	38,168	35,757	36,147	41,230
	Diesel	266	1,303	1,705	1,032	1,088	1,826
Renewable electricity	Solar energy	0	292	295	276	1,020	1,708
	Renewable electricity sourced in line with the Renewable Energy Target (RET)	9,874	23,236	26,232	26,762	22,384	21,547
	Voluntary purchases supported by an energy attribute certificate	15,025	3,853	7,151	9,428	12,502	94,360
Non-renewable electricity	Non-renewable electricity accounted using grid residual mix emission factors	145,930	126,387	117,985	104,995	83,390	0
	Electricity consumed from on-site thermal and solar generation	106	813	977	689	1,456	2,439
Total energy consumption		204,474	201,826	192,513	178,939	157,987	163,110
Energy production (MWh)							
Thermal generation for on-site use by Dexus		106	521	682	413	435	730
Thermal generation and exported off site		0	0	0	0	0	0
Solar generation for on-site use by Dexus		0	292	295	276	1,020	1,708
Solar generation for on-site use by Customers		0	0	0	0	0	121
Solar generation and exported off site or have LGCs created		0	0	30	286	2,027	3,066
Total energy production (MWh)		0	292	325	562	3,048	4,896
Renewable energy use							
Total renewable energy consumption (MWh)		24,900	27,381	33,678	36,465	35,907	117,615
Proportion of energy from renewable sources (%)		12.2%	13.6%	17.6%	20.5%	22.9%	73.2%
Total renewable electricity consumption (MWh)		24,900	27,381	33,678	36,465	35,907	117,615
Proportion of electricity ² sourced from renewables (%)		14.6%	17.8%	22.2%	25.8%	30.1%	100.0%
Proportion of solar generation exported to customers or offsite (%)		0.0%	0.0%	9.2%	50.9%	66.5%	65.1%
Proportion of electricity ² sourced from on-site solar (%)		0.0%	0.2%	0.2%	0.2%	0.9%	1.5%
Proportion of total energy sourced from on-site solar (%)		0.0%	0.1%	0.2%	0.2%	0.7%	1.1%

1. FY08 represents the group's base year.

2. Externally sourced electricity which excludes electricity from back up generation.

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)	Base Year ¹	FY18	FY19	FY20	FY21	FY22
Office	837,781	1,142,668	1,144,305	983,078	675,247	574,610
Retail	370,229	423,834	332,269	289,959	185,072	203,559
Industrial	141,993	194,892	246,441	239,952	210,178	226,386
Healthcare		–	–	–	3,361	9,182
Convenience Retail		–	–	–	–	18,693
Total potable water consumption	1,350,003	1,761,394	1,723,016	1,512,990	1,073,859	1,032,430
Recycled water recovery	0	10,568	4,815	7,553	21,919	18,641
Total water consumption including recycled water	1,350,003	1,771,962	1,727,830	1,520,543	1,095,777	1,051,071

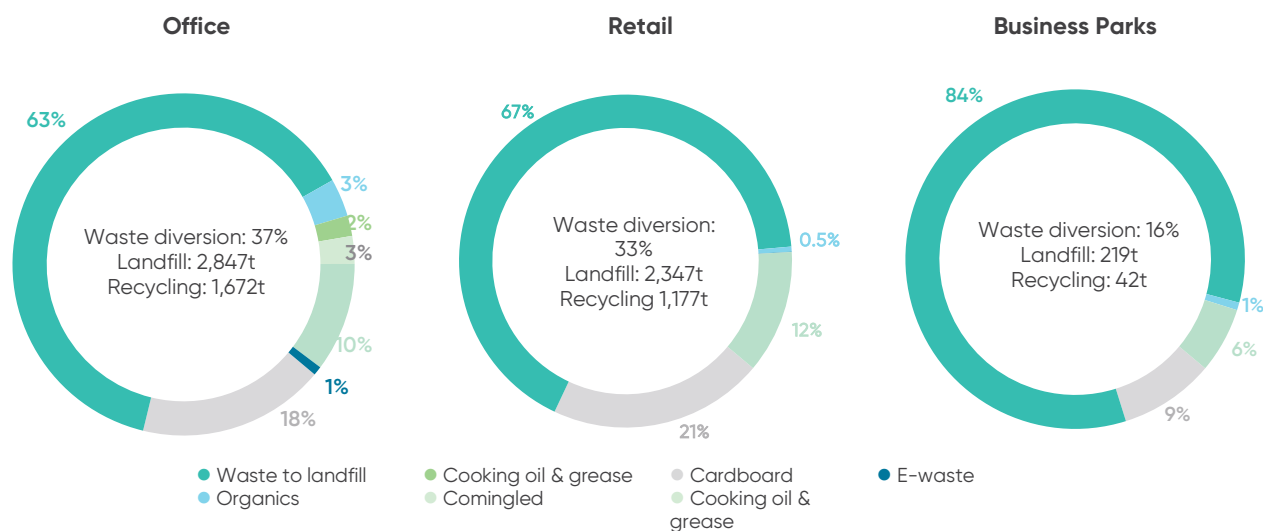
1. FY08 represents the group's base year.

Waste and recycling from property operations by stream

FY22 waste stream (tonnes)	Office	Retail	Business Parks ¹	Total	
Dexus managed waste collection					
Cardboard	633	804	24	1,461	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	120	1	1	122	
Comingle	495	502	16	1,013	
Organics and used cooking oil	146	17	2	166	Sent to 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	30	0	0	30	Collected by an e-waste management provider and sent to their handling facilities for structured disassembly
Waste to landfill	2,169	2,493	219	4,881	Sent directly to landfill or to receiving stations for downstream separation, processing waste within a bio-reactor to produce energy or on transferred to waste to energy recovery facilities for combustion.
Total waste & recycling	3,600	3,818	261	7,679	
Customer- managed waste collection outside Dexus's waste reporting boundary					
Secure paper	49	0	0	49	-

1. Properties under operational control at Brisbane Technology Park and Rhodes Corporate Park.

FY22 Operational waste by stream



Waste intensity (kg per sqm)	FY18	FY19	FY20	FY21	FY22
Office – total waste	6.4	6.0	4.5	2.7	2.2
Retail – total waste	22.2	20.1	16.7	15.6	16.9
Business Park ¹ – total waste	-	-	-	-	6.3
Office – waste to landfill	3.5	3.4	2.7	1.7	1.3
Retail – waste to landfill	14.8	13.0	11.1	10.4	11.0
Business Park ¹ – waste to landfill	-	-	-	-	5.3

1. Properties under operational control at Brisbane Technology Park and Rhodes Corporate Park.

Emissions of ozone depleting substances

	FY08	FY18	FY19	FY20	FY21	FY22
Emissions of ozone depleting substances (t CFC-11e)	n/a	1.2	1.2	1.2	1.2	0.0

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.

Other significant air emissions

Dexus estimates it emitted the following air emissions through combustion of natural gas and diesel within generators, cogeneration engines and fire pumps.

Estimated air emissions (tonnes)	FY08	FY18	FY19	FY20	FY21	FY22
Nitrogen Oxides (NOx)	n/a	25.8	25.1	18.6	19.5	26.7
Carbon Monoxide (CO)	n/a	7.0	7.4	4.9	5.1	7.8
Sulphur Dioxide (SOx)	n/a	0.1	0.1	0.1	0.1	0.1
Particulate matter $\leq 2.5\mu m$	n/a	1.2	1.2	0.9	0.9	1.3
Particulate matter $\leq 10\mu m$	n/a	1.3	1.2	0.9	0.9	1.3
Volatile organic compounds (VOCs)	n/a	1.0	1.0	0.7	0.8	1.1

Greenhouse gas emissions by gas type

Greenhouse gas emissions (t CO ₂ -e)	FY08	FY18	FY19	FY20	FY21	FY22
Direct greenhouse gas emissions						
Carbon dioxide (CO ₂)	6,207	8,829	7,492	6,876	6,962	8,089
Methane (CH ₄)	12	17	14	13	13	16
Nitrous oxide (N ₂ O)	7	6	5	5	5	6
Chlorofluorocarbons (CFCs) & hydrofluorocarbons (HCFCs)	0	10,091	10,232	10,406	8,754	4,718
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	18,943	17,743	17,300	15,735	12,828
Indirect greenhouse gas emissions						
Scope 2 location-based GHG emissions	151,951	131,218	127,353	117,610	98,048	94,243
Scope 3 location-based GHG emissions	27,600	38,139	34,920	29,016	21,928	21,795
Scope 1, 2 & 3 location-based GHG emissions	185,776	188,300	180,017	163,927	135,711	128,866

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), Chlorofluorocarbons (CFCs) & hydrofluorocarbons (HCFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and Nitrogen Trifluoride (NF₃). Emissions are aggregated into carbon dioxide equivalents (CO₂-e) using global warming potential (GWP) factors from the Fifth Assessment Report (AR5), from the Intergovernmental Panel on Climate Change (IPCC).

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	FY22
Energy consumption avoided ¹	64,554	21,041	31,883	4,339	11,241	6,540	5,930	1,415	1,761
ESCs created ²	68,426	22,303	33,796	4,599	11,915	6,932	6,286	1,500	1,866
ESCs traded ²	32,446	58,093	15,934	18,052	16,514	0	0	0	0

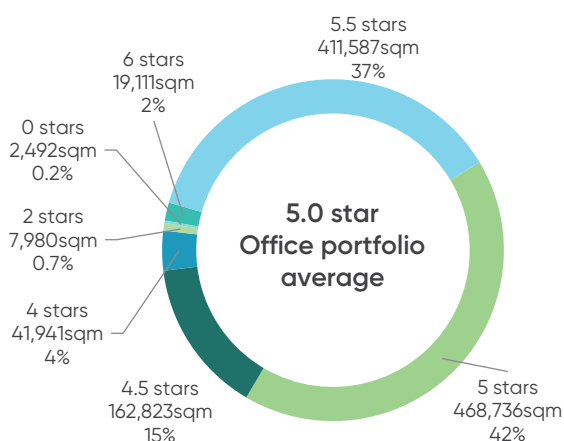
1. According to the ESS rule, each ESC has a value of 1 notional megawatt hour, where each notional megawatt hour is attributable to energy savings arising from a recognised energy saving activity (undertaken by Dexus group). These notional savings are reported as energy consumption avoided and are converted 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.

NABERS and Green Star Performance ratings

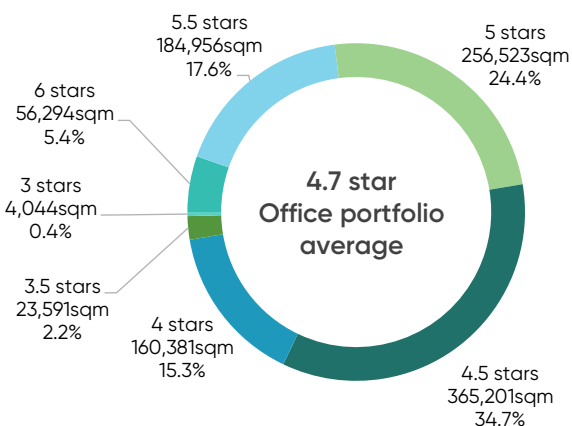
NABERS Office portfolio average (star) ¹	FY17	FY18	FY19	FY20	FY21	FY22
NABERS Energy with GreenPower	4.8	4.9	5.0	5.0	5.1	5.3
NABERS Energy	4.6	4.7	4.8	4.8	5.0	5.0
NABERS Water	3.6	3.6	3.5	3.7	4.5	4.7
NABERS Waste ²	–	–	–	2.7	2.7	3.0
NABERS Indoor Environment ²	–	–	–	4.0	4.7	4.9
NABERS Retail portfolio average (star) ¹	FY17	FY18	FY19	FY20	FY21	FY22
NABERS Energy with GreenPower	3.5	3.4	3.8	4.0	4.3	4.6
NABERS Energy	3.5	3.4	3.8	4.0	4.3	4.6
NABERS Water	2.7	3.5	3.5	3.6	3.6	3.8
Green Star Performance average (star) ¹	FY17	FY18	FY19	FY20	FY21	FY22
Group	2 star	2 star	2 star	4 star	4 star	4 star
Office	2 star	2 star	2 star	5 star	5 star	5 star
Retail	1 star	1 star	1 star	3 star	3 star	3 star
Industrial ³	–	–	–	–	3 star	2 star
Healthcare	–	–	2 star	2 star	3 star	3 star

1. As at 30 June each year.
2. Dexus commenced publishing portfolio average ratings for NABERS Waste and NABERS Indoor Environment in FY20.
3. Selected assets only.

NABERS Energy ratings – Group Office



NABERS Water ratings – Group Office



Dexus (DXS) portfolio – Environmental metrics

Dexus portfolio – Absolute and like-for-like inventories

			Absolute			Like-for-like ²		12
Metric		Base year ¹	FY20	FY21	FY22	FY21	FY22	month change
Energy consumption (MWh)								
Non-renewable energy	Natural gas	23,211	16,766	17,123	19,807	15,958	19,394	21.5%
	Diesel	182	450	475	734	384	659	71.8%
	Electricity – grid-purchases	72,625	46,778	38,386	0	31,907	0	-100.0%
Total non-renewable energy consumption		96,018	63,994	55,984	20,541	48,248	20,053	-58.4%
Renewable energy	Electricity – GreenPower and LGC purchases	12,496	17,558	17,302	51,905	14,987	47,454	216.6%
	Solar energy	0	133	132	176	114	119	4.3%
Total renewable energy consumption		12,496	17,691	17,434	52,081	15,101	47,573	215.0%
Total energy consumption		108,514	81,685	73,419	72,622	63,349	67,626	6.8%
Percent electricity from renewable sources		14.7%	27.4%	31.2%	100.0%	32.1%	100.0%	-
Percent energy use from renewable sources		11.5%	21.7%	23.7%	71.7%	23.8%	70.3%	-
Water (kL or cubic metres)								
Potable water from water authorities		619,078	655,013	472,916	392,203	405,329	349,414	-13.8%
Recycled water recovery		0	3,007	13,954	12,281	13,954	12,281	-12.0%
Total water consumption incl. recycled water		619,078	658,019	486,870	404,484	419,283	361,695	-13.7%
Percent water use from recycled sources		0.0%	0.5%	2.9%	3.0%	3.3%	3.4%	-
Waste and recycling (tonnes)								
Waste to landfill		1,350	2,782	2,041	1,711	1,769	1,565	-11.5%
Recycled waste		1,931	1,887	1,233	1,097	1,141	1,053	-7.7%
Total waste		3,280	4,668	3,274	2,808	2,909	2,618	-10.0%
Diversion from landfill		58.9%	40.4%	37.7%	39.1%	39.2%	40.2%	2.6%
Percent waste data coverage (office & retail)		68%	100%	100%	100%	100%	100%	-
Greenhouse gas emissions (t CO ₂ -e)								
Scope 1		4,335	7,600	7,018	5,522	5,774	5,203	-9.9%
Scope 2 – location-based		78,702	53,423	45,842	42,055	38,621	38,671	0.1%
Scope 3 – location-based GHG emissions		14,521	11,308	9,296	8,503	7,924	7,857	-0.8%
Scope 2 – market-based		70,581	48,021	38,965	0	32,413	0	-
Scope 3 – market-based GHG emissions		13,096	10,719	8,519	4,144	7,225	3,834	-46.9%
Total Scope 1, 2 & 3 location-based GHG emissions		97,558	72,331	62,156	56,080	52,319	51,731	-1.1%
Total Scope 1, 2 & 3 market-based GHG emissions		88,011	66,340	54,501	9,665	45,412	9,037	-80.1%
Adjustments due to voluntary offsets surrendered by Dexus		0	0	-312	-9,665	0	-9,037	-
Total net greenhouse gas emissions		88,011	66,340	54,189	0	45,412	0	-100%
Equity – accounted lettable area under landlord control (annual weighted average square metres)								
Office		528,437	877,178	876,951	839,530	747,432	766,970	2.6%
Retail		9,459	40,979	54,395	55,139	53,369	53,094	-0.5%
Industrial		394,517	349,928	364,779	427,102	287,495	303,194	5.5%
Healthcare		-	-	2,676	5,272	-	-	

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 FY21 and FY22 periods.

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

Energy and emissions productivity (market-based)	Base year ¹	FY20	FY21	FY22	
Revenue (\$m)	702	1,119	1,126	1,618	
Energy productivity (\$m revenue per GJ consumed)	1,798	3,806	4,259	6,188	3.44x energy productivity
Scope 1 & 2 emissions productivity (\$m revenue/t.CO ₂ -e)	9,373	20,122	24,479	292,978	31.26x emissions productivity
Scope 1, 2 & 3 emissions productivity (\$m revenue/t.CO ₂ -e)	7,979	16,871	20,653	167,369	20.98x emissions productivity

1. FY08 is the base year for energy, water and greenhouse gas emissions.

Dexus portfolio – Consumption/emissions on an intensity basis

		Whole portfolio			Like-for-like ²		12
Metric	Base year ^{1,4}	FY20	FY21	FY22	FY21	FY22	month change
Office portfolio							
Energy consumption (MJ/sqm)	609	312	280	280	284	288	1.6%
Water consumption (L/sqm)	855	559	388	331	377	332	-11.9%
Scope 1 & 2 emissions (kgCO2-e/sqm)	134	65	56	51	56	52	-6.5%
Scope 1 & 2 market based emissions (kgCO2-e/sqm)	118	59	49	6	47	6	-87.2%
Waste diversion from landfill (%)	60%	41%	37%	39%	38%	39%	2.5%
Retail portfolio							
Energy consumption (MJ/sqm)	4,905	317	199	220	202	226	11.7%
Water consumption (L/sqm)	8,536	704	499	543	509	564	10.8%
Scope 1 & 2 emissions (kgCO2-e/sqm)	712	50	32	35	33	35	8.2%
Scope 1 & 2 market based emissions (kgCO2-e/sqm)	712	50	32	7	33	7	-77.9%
Waste diversion from landfill (%)	17%	37%	40%	39%	42%	42%	0.7%
Industrial portfolio							
Energy consumption (MJ/sqm)	56.9	22.3	19.8	28.1	17.7	34.1	92.2%
Water consumption (L/sqm)	219	387	288	192	336	214	-36.3%
Scope 1 & 2 emissions (kgCO2-e/sqm)	14.3	4.7	4.1	5.8	3.5	6.8	92.2%
Scope 1 & 2 market based emissions (kgCO2-e/sqm)	14.3	4.7	4.1	0.6	3.5	0.5	-85.2%
Healthcare portfolio							
Energy consumption (MJ/sqm)	-	-	270	368	-	-	-
Water consumption (L/sqm)	-	-	314	435	-	-	-
Scope 1 & 2 emissions (kgCO2-e/sqm)	-	-	48	55	-	-	-
Scope 1 & 2 market based emissions (kgCO2-e/sqm)	-	-	48	7	-	-	-

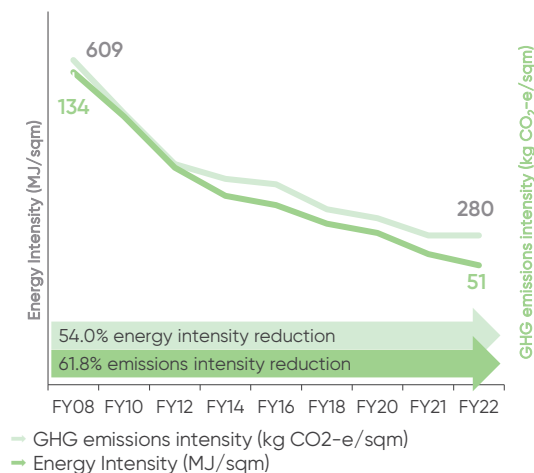
1. FY08 is the base year for energy, water and greenhouse gas emissions. FY12 is the base year for waste diversion from landfill.

2. Properties under landlord control for FY21 and FY22 periods.

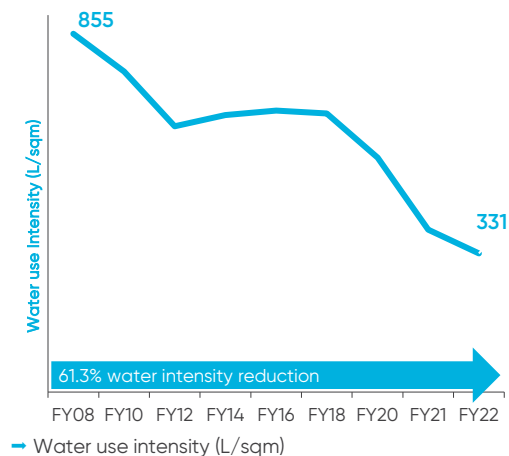
3. The steep decline in retail intensity metrics is generally attributable to a shift in Dexus (DXS) retail portfolio composition away from high-intensity properties such as city retail precincts to low-intensity properties such as bulky goods retailers since FY08.

Dexus portfolio – Consumption/emissions on an intensity basis (continued)

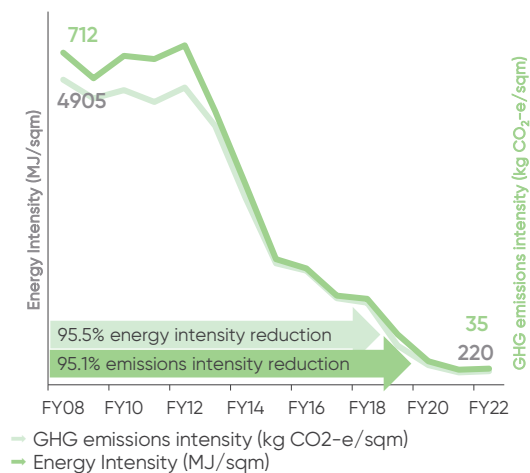
Listed Office – Energy and GHG emissions intensity



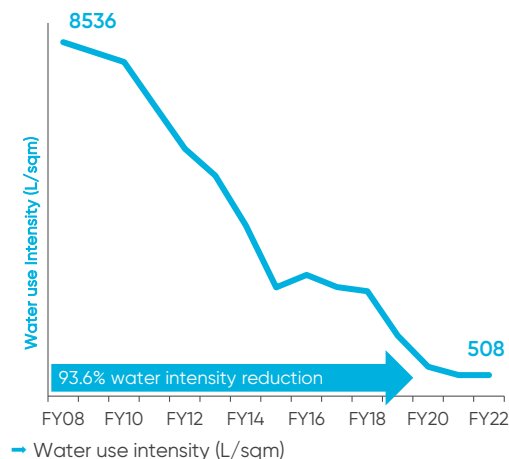
Listed Office – Water use intensity



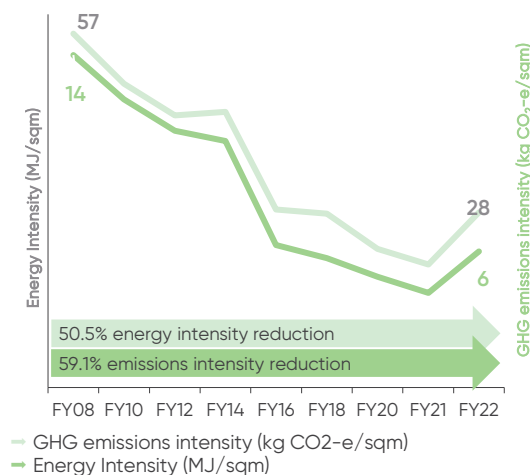
Listed Retail – Energy and GHG emissions intensity



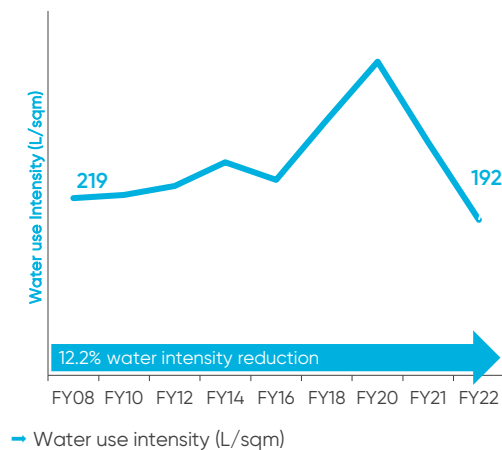
Listed Retail – Water use intensity



Listed Industrial – Energy and GHG emissions intensity



Listed Industrial – Water use intensity



Dexus portfolio - NABERS and Green Star Performance

NABERS portfolio average (star) ¹	FY17	FY18	FY19	FY20	FY21	FY22
Office						
NABERS Energy with GreenPower	4.8	4.9	5.0	5.0	5.1	5.3
NABERS Energy	4.5	4.7	4.8	4.8	5.0	5.0
NABERS Water	3.6	3.6	3.6	3.7	4.5	4.8
NABERS Waste ²	-	-	-	2.6	2.6	2.9
NABERS Indoor Environment ²	-	-	-	4.1	4.8	4.9
Retail						
NABERS Energy with GreenPower	2.0	2.0	2.0	2.5	3.0	4.0
NABERS Energy	2.0	2.0	2.0	2.5	3.0	4.0
NABERS Water	-	-	2.0	2.0	2.5	3.5
Green Star Performance average (star)¹						
Combined portfolio – all sectors	2 star	2 star	2 star	5 star	5 star	5 star

1. As at 30 June each year.

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

Dexus Industria REIT (DXI) portfolio – Environmental metrics

Dexus Industria REIT portfolio – Absolute and like-for-like inventories

Metric		FY20 ¹	FY21 ¹	FY22
Energy consumption (MWh)				
Non-renewable energy	Natural gas	0	0	510
	Diesel	0	0	23
	Electricity – grid-purchases	1,081	933	0
Total non-renewable energy consumption		1,081	933	533
Renewable energy	Electricity – GreenPower and LGC purchases	253	218	2,421
	Solar energy	226	150	305
Total renewable energy consumption		479	367	2,726
Total energy consumption		1,560	1,300	3,260
Percent electricity from renewable sources		30.7%	28.3%	100.0%
Percent energy use from renewable sources		30.7%	28.3%	83.6%
Water (kL or cubic metres)				
Potable water from water authorities		7,184	8,857	18,184
Recycled water recovery		0	0	0
Total water consumption incl. recycled water		7,184	8,857	18,184
Percent water use from recycled sources		0.0%	0.0%	0.0%
Waste and recycling (tonnes)				
Waste to landfill		–	–	247
Recycled waste		–	–	100
Total waste		–	–	347
Diversion from landfill		–	–	28.8%
Greenhouse gas emissions (t CO₂-e)				
Scope 1		0	0	196
Scope 2 – location-based		1,081	924	1,913
Scope 3 – location-based GHG emissions		589	642	634
Scope 2 – market-based		1,081	924	158
Scope 3 – market-based GHG emissions		589	642	432
Total Scope 1, 2 & 3 location-based GHG emissions		1,669	1,565	2,742
Total Scope 1, 2 & 3 market-based GHG emissions		1,669	1,565	785
Adjustments due to voluntary offsets surrendered by Dexus		0	0	-785
Total net greenhouse gas emissions		1,669	1,565	0
Equity – accounted lettable area under landlord control (annual weighted average square metres)				
Industrial		59,927	62,913	66,539

1. Data collected under APN Property Group prior to Dexus ownership.

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

Energy and emissions productivity (market-based)	FY21 ¹	FY22
Revenue (\$m)	66	90
Energy productivity (\$m revenue per GJ consumed)	14,012	7,702
Scope 1 & 2 emissions productivity (\$m revenue/t.CO ₂ -e)	71,026	255,712
Scope 1, 2 & 3 emissions productivity (\$m revenue/t.CO ₂ -e)	62,580	208,094

1. Data collected under APN Property Group prior to Dexus ownership.

Dexus Industria REIT portfolio – Consumption/emissions on an intensity basis

Metric	FY20 ¹	FY21 ¹	FY22
Industrial portfolio			
Energy consumption (MJ/sqm)	93.7	74.4	176.4
Water consumption (L/sqm)	120	141	273
Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	18.0	14.7	31.7
Scope 1 & 2 market based emissions (kgCO ₂ -e/sqm)	18.0	14.7	5.3
			29%

1. Data collected under APN Property Group prior to Dexus ownership.

Dexus Industria REIT portfolio – NABERS

NABERS portfolio average (star) ¹	FY21 ²	FY22
Industrial Business Parks		
NABERS Energy with GreenPower	4.5	5.0
NABERS Energy	4.5	5.0
NABERS Water	4.6	4.1

1. As at 30 June each year.

2. Data collected under APN Property Group prior to Dexus ownership.

Dexus Convenience REIT (DXC) portfolio – Environmental metrics

Dexus Convenience REIT portfolio – Absolute and like-for-like inventories

Metric	FY22
Energy consumption (MWh)	
Non-renewable energy	
Natural gas	0
Diesel	0
Electricity – grid-purchases	0
Total non-renewable energy consumption	0
Renewable energy	
Electricity – GreenPower and LGC purchases	218
Solar energy	0
Total renewable energy consumption	218
Total energy consumption	218
Percent electricity from renewable sources	100.0%
Percent energy use from renewable sources	100.0%
Water (kL or cubic metres)	
Potable water from water authorities	115,128
Recycled water recovery	0
Total water consumption incl. recycled water	115,128
Percent water use from recycled sources	0.0%
Waste and recycling (tonnes)	
Waste to landfill	
Recycled waste	
Total waste	
Diversion from landfill	
Greenhouse gas emissions (t CO₂-e)	
Scope 1	0
Scope 2 – location-based	174
Scope 3 – location-based GHG emissions	265
Scope 2 – market-based	2
Scope 3 – market-based GHG emissions	240
Total Scope 1, 2 & 3 location-based GHG emissions	438
Total Scope 1, 2 & 3 market-based GHG emissions	242
Adjustments due to voluntary offsets surrendered by Dexus	-52
Total net greenhouse gas emissions	190
Equity – accounted lettable area under landlord control (annual weighted average square metres)	
Convenience Retail	72,047

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

Energy and emissions productivity (market-based)	FY22
Revenue (\$m)	55
Energy productivity (\$m revenue per GJ consumed)	70,714
Scope 1 & 2 emissions productivity (\$m revenue/t.CO ₂ -e)	22,245,338
Scope 1, 2 & 3 emissions productivity (\$m revenue/t.CO ₂ -e)	228,826

Dexus Convenience Retail REIT portfolio – Consumption/emissions on an intensity basis

Metric	FY22
Industrial portfolio	
Energy consumption (MJ/sqm)	11
Water consumption (L/sqm)	1,598
Scope 1 & 2 emissions (kgCO ₂ -e/sqm)	2
Scope 1 & 2 market based emissions (kgCO ₂ -e/sqm)	0

Contents

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



Sustained Value

Superior long-term performance for our investors and third party capital partners, supported by an integrated approach to ESG within our business model

- Corporate governance
- Compliance and risk management

→ Pages 86-95



Leading Cities

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

- Transactions & developments
- Stakeholder engagement

→ Pages 96-108



Thriving People

An engaged, capable and high-performing workforce, within an inclusive environment, that delivers on our strategy

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

→ Pages 109-119



Future Enabled Customers and Strong Communities

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

- Customers
- Communities
- Supply chain

→ Pages 120-140



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

→ Pages 141-155



Management 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 2022 Annual Reporting Suite. It should be read in conjunction with the Sustainability Performance Pack and Sustainability Data Appendix, the 2022 Annual Report and the 2022 Corporate Governance Statement.

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 benefits 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



Superior long-term performance for our investors and third party capital partners, supported by an integrated approach to ESG within our business model.

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 inclusion 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 (GMC) Responsible for risk management and ensuring statutory, legal and regulatory compliance, including ongoing compliance with Dexus policies and procedures		
Corporate Executive Committee (CEC) 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 Responsibilities include: - Identifying, assessing and evaluating strategic, financial, regulatory and operational risks - Assessing the effectiveness of controls and providing advice on mitigation plans - Implementing the Work Health Safety and Environment (WHS&E) management systems and overseeing compliance audits - Reporting to management and board committees to support discharge of the duties of these governing bodies - Implementing and raising awareness of risk policies and procedures - Providing training to support employees' to execute their risk management responsibilities	Compliance team Responsibilities include: - Identifying and managing compliance risks to protect investors and Dexus's reputation - Overseeing compliance with licensing and key regulatory regimes - Coordinating, reviewing and updating policies and procedures and developing compliance plans - Providing training across the platform to support staff development - Conducting monitoring and preventative review procedures to avert or detect events of non-compliance - Reporting to management, board committees and boards to support discharge of the duties of these governing bodies	Governance team Responsibilities include: - 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 - Conducting monitoring of key agreements with third party capital partners
Management frameworks		
Risk Management Framework - Fulfilling Dexus's risk management requirements - Supporting a proactive risk management culture through stakeholder engagement, risk policies, procedures and training - Working with Dexus to assess impacts and reduce risks - Evaluation of risk appetite through monitoring and review - Continuous improvement initiatives	Compliance Management Framework - Articulates Dexus's values, objectives, strategic goals - Identifies compliance obligations arising from activities undertaken to achieve strategic goals - Risk assesses impact of identified compliance risks on operations - Works with the business to identify and implement controls - Monitors and reviews controls - Feeds back to improve business operations and sustainability	Governance Framework - 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		

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, Dexus Industria REIT (DXI), Dexus Convenience Retail REIT (DXC), 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.

Dexus has five Board Committees to assist in fulfilment of its responsibilities. There are management committees including the Group Management Committee (comprising senior executives of the organisation). Employees can make recommendations through these forums as well as directly to senior management.

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 (GMC) and Key Management Personnel remuneration and aspects of human resource management. The Committee reports directly to the Board.
Board Audit Committee	Reviews the integrity and quality of the group's financial statements and disclosures including auditing, accounting and financial reporting processes. The Committee reports directly to the Board.
Board Risk Committee	Oversees group risk management, WHS and compliance. The Committee reports directly to the Board.
Board ESG Committee	Oversees the implementation and management of sustainability/ESG practices and initiatives throughout Dexus. The Committee reports to the Board.
Board Nomination Committee	Oversees all aspects of Dexus Board renewal, Board and Committee performance evaluation, Board Committee membership, and Director nominations.
Group Management Committee (GMC)	Oversees business operations including its management of compliance, risk, governance and sustainability. The GMC comprises the executive team and is chaired by the CEO. The Committee 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 comprises of the Chief Operating Officer (Chair), Chief Financial Officer, and General Counsel and Company Secretary. The Committee also oversees the activities of the Anti-Modern Slavery Working Group, Climate Resilience Working Group, Energy Procurement Working Group, Social Impact Working Group and Reconciliation Action Plan (RAP) 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: – Property performance – Development and trading – Funds management
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 do the right thing
- Complying with laws, regulations and industry standards

Dexus's Compliance Management Framework satisfies the requirements of the International Standard for Compliance Management Systems – ISO 37301:2021. Activities conducted within the framework comply with the relevant Australian 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 Responsible Entity Board, Board Risk Committee, the Group Management Committee (GMC) and the Corporate Executive Committee (CEC).

Record keeping

We have a Records Management Policy which provides guidance in relation to the storage and retention of records for Dexu. 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 Dexu entity or a fund that Dexu manages.

Conflicts of interest

Management of conflicts of interest at Dexu is addressed by the following policies:

- Directors' Code of Conduct
- Employee Code of Conduct (incorporating Gifts, benefits & entertainment)
- Conflicts of Interest – Business
- Conflicts of Interest – Personal Policy (including gifts and entertainment)
- Securities Trading Policy (including Inside Information)

Together they inform employees of what constitutes a conflict of interest and describe the processes in place for identifying and managing them. Conflicts may arise in a variety of situations:

- 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

Dexu board members are required to adhere to the Directors' Code of Conduct. Directors must comply with the legal framework governing the operations of Dexu, which includes anti-corruption policies and procedures.

All actual or potential conflicts are reported to Dexu'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. Dexu does not make political donations or provide gifts to politicians or public servants. As per the Dexu Political Donations Policy, Dexu employees and Directors are prohibited from using Dexu funds for political contributions. Where we engage with government we do so in an ethical and transparent manner. The Stakeholder Engagement section (page 105) 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 Dexu 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 (IIRC) 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
- Self-assessment / quarterly attestation checklists
- 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 (CEC) 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 CEC 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 CEC and Board Audit Committee
- 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 CEC 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 CEC, 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 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 Dexus 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

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

Grievance mechanism

Employees

- Grievance Procedure
- Whistleblower Policy

Investors and third party capital partners

- Investor Complaint Management Procedure
- Investor Complaints Policy

Customers, suppliers and community

- Customer Complaints Policy
- Whistleblower Policy

Awareness channels

Environment and health and safety management programs

- ISO 14001 EMS and ISO 45001:2018 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)

Whistleblower program

- Your-Call independent disclosure management service provider
- Secure, anonymous, and confidential
- Reporting of inappropriate workplace behaviour or other activity by Dexus employees or on Dexus sites

Internal Audit program

- Outsourced risk based Internal audit function
- Testing of compliance with controls
- Monitor effectiveness of governance, risk management, financial and operational controls

Dexus website

- 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.

All Dexus employees 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, including risks associated with business decisions, processes, systems or people and external events.

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 ISO 31000:2018. 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.

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 (CEC), Group Management Committee (GMC), Board Audit Committee and Board Risk Committee
- Providing training to support employees' awareness of and ability to execute their risk management responsibilities. This extends to our key business partner CBRE via annual risk roadshows addressing risk, operational and ESG topics

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 work health and safety (WHS) 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, ISO 45001:2018 audit/ gap analysis, ISO certification audit, principal contractor audit incident investigations (as and when they occur)
- **Building safety:** Property risk assessments (including and not limited to confined space, height safety, and plant risk assessment), and facade condition audits
- **Environmental:** Hazardous materials assessment and audit, Environmental management assessment and audit, 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.

Dexus completes an annual review of its risk management framework applicable to all employees. Risk management policies, procedures and governance committee structures are reviewed to ensure continuous improvement and to minimise the risk of ethical or corruption breaches.

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.

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 (RG) 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 (WHS)

We recognise our duty of care to our customers, employees, investors, agents and the wider community to ensure all Work Health, Safety and Liability (WHS&L) risks in our property portfolio are appropriately managed. To achieve this, we have implemented a comprehensive risk management system to ensure the effective management of WHS&L risks across the portfolio.

We believe that teamwork is essential in everything we do. Therefore, while management plays a key role in creating a safe and healthy work environment, optimal success can only be achieved when responsibility is shared between all stakeholders including management, employees, customers, contractors and service providers.

We also recognise our duty of care to the health and safety of contractors. As the activities of contractors can be of a high-risk nature, we implement contractor management software across all managed properties to ensure all properties across the portfolio have a standard approach and a system for the WHS&L management of contractors that complies with relevant Legislation, Codes of Practice, Standards and the Dexus WHS&L system.

Dexus has a WHS&E Strategy, which the vision statement and key pillars are summarised in the table below.

WHS&E Vision Statement: *"To achieve a workplace where our people and communities care for each other, everyone goes home safe and well and the environment is preserved, in the successful operation of our business".*

The WHS&E strategy house consists of 5 key Pillars:

1. Organisational WHS&E Culture: Instilling leadership, attitudes and behaviours that positively value and promote WHSE outcomes
2. Governance: WHS&E is integrated into all business operations to ensure compliance and a high level of performance
3. Safe Together: WHS&E risks are known and effectively managed to keep everyone physically and mentally safe and well
4. Safe Design & Environment: Buildings are designed, built and maintained to the highest standards
5. Operational Excellence: Create a mindset that embraces principles and tools to continually raise the bar and sustain improvement

The Sustainability Approach and Procedures disclosure contains additional information on WHS for employees (pages 116-117), customers and visitors at our properties (pages 124-125), and contractors working at our assets (page 138).



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



A high-quality portfolio that contributes to economic prosperity and supports 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.

2.1 Management framework

Several areas of our business, under the leadership of the Board and Group Management Committee (GMC), collaborate to deliver our objective of Leading Cities. The framework 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 121), and Enriched Environment section (page 143). 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

Oversight of group strategic direction, capital allocation, and creating value through development

Chief Operating Officer

Oversight of Dexus Sustainability Approach, government and other relevant stakeholder engagement

Development team

Responsibilities:

- 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:

- 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:

- 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

Communications and Sustainability teams

Responsibilities:

- Provide technical advice on execution of sustainability objectives
- Integrate emerging stakeholder issues into business strategy
- Government and other relevant 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 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 General Management Committee 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 and the ability to attract and meet customers' demand based on asset energy performance.

This process requires details (and external peer review by specialist consultants) on the potential acquisition's environmental performance, including NABERS and Green Star ratings, energy and water consumption and climate change impact assessments. Building upgrade and improvement plans, past energy and water audits and environmental risk assessments are also reviewed, 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
- No material issues are identified

In summary, if an investment fails to meet the ESG due diligence criteria, it may prevent a transaction from proceeding.

Developments

The Development team identifies ESG issues in the due diligence process that may affect an investment and are reviewed and approved by the Investment Committee. It then categorises them as:

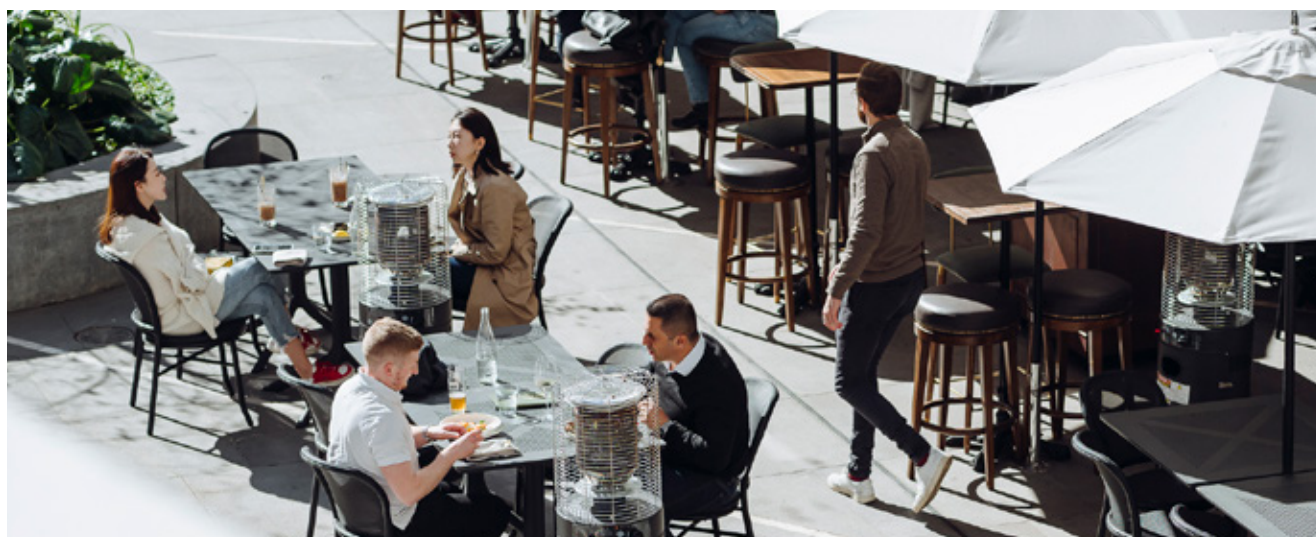
- Material issues that may lead to the abandonment of the development option
- Less significant issues, risks and opportunities that impact the decision and/or the investment metrics, or the scheme recommendations
- Insignificant issues that are not deemed to affect Dexus or its third party capital partners

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.

We seek peer reviews by specialist consultants on insights on matters including but not limited to general sustainability, climate-related risks and the climate resilience of the development's design.

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.



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-effective 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
- **Partnership approach to ESG:** We collaborate with our customers to understand their functional needs and ESG aspirations for a tailored development response that meets customers' long-term space needs
- **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 Green Star ratings) and responsible investment by applying suitable focus on ensuring that its properties are leaders in their respective markets

- **Benchmarking:** Green Star, NABERS and WELL ratings enable our customers, investors, and other interested stakeholders 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 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 Australian Disability Discrimination Act 1992.

Site selection and design

A large proportion of our developments, particularly across the office, industrial, healthcare 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 Buildings certification are directed to minimise negative impacts of construction through the redefined Responsible and Positive categories. 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 partnership led approach with our customers in the preparation of design briefs for new developments and refurbishments. 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 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 Water Rating Labels for water fixtures.

Green building certifications

Dexus selectively rates new developments against the Green Building Council of Australia's (GBCA) Green Star certification¹ and continues to present Green Star opportunities to all pre-lease construction opportunities. Dexus targets to achieve at least 5 Star Green Star ratings for projects registered in the legacy Green Star Design & As Built v1.3 rating or 4 Star under the new Green Star Buildings v1 ratings across all new office and healthcare developments as well as select industrial developments.

Selected office developments seek excellence in property health and wellbeing by targeting WELL certification from the International WELL Building Institute.

¹ Developments seeking Green Star certification during FY22 may choose to register the development under Green Star Design & As Built v1.3 (project registrations closed 31 December 2021) or the new Green Star Buildings v1 that was released on 29 October 2020. Please refer to the Green Building Council Australia's website for further information.

Element	Dexus's approach
Biodiversity and habitat	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. Developments seeking a Green Star certification are directed to manage biodiversity issues in the relevant category credits (Land Use and Ecology in Green Star Design & As Built v1.3; Nature Category in Green Star Buildings v1). We comply, and direct our suppliers to comply, with development conditions that relate to biodiversity conservation at our development sites.
Building safety	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. Our goal for all projects is a no harm, safe workplace with zero fatalities at all stages of the property lifecycle. Complementing this approach is a peer review of the development's design scheme to ensure building safety is achieved in building operations post completion.
Climate change adaptation and resilience	We assess potential climate change risks and changes to exposure and vulnerability regarding future climate scenarios. Developments with high inherent climate change risk that are seeking a Green Star certification are directed to manage climate change adaptation issues in the relevant category credits (Adaptation and Resilience in Green Star Design & As Built v1.3; Resilient and Positive Categories in Green Star Buildings v1). 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. 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: – 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	Across our developments, we aspire to design for operational efficiency, targeting net zero emissions from operations by 30 June 2022 and sourcing 100% renewable energy. We collaborate with industrial customers to incorporate on-site solar electricity generation for new industrial developments. Developments seeking a Green Star certification are directed to integrate energy and emissions management issues in the relevant category credits (Energy in Green Star Design & As Built v1.3; Positive Category in Green Star Buildings v1). 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 (office and retail) and support our net zero emissions ambition. Common energy efficiency measures include: – 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 – The design process incorporates opportunities to leverage site environmental conditions such as natural light, thermal and ventilation conditions in the operation of buildings.

Element	Dexus's approach
Environmental and health attributes of building materials	We aim to take a lifecycle approach to inform financial business cases for low embodied carbon for materials at key projects. 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. We obtain product data sheets from contractors detailing the environmental and health attributes of building materials as part of the design phase that is incorporated in the certification and operational pack of the property. Wherever a development brief is likely to contain hazardous materials, the contractor is to provide independently certified laboratory tested hazardous materials clearance certificates. Developments seeking a Green Star Building certification are directed to address issues regarding the environmental attributes of building materials consumption and management issues in the relevant category credits (Materials in Green Star Design & As Built v1.3; Positive Category in Green Star Buildings v1). Dexus's Sustainable Procurement Policy and Supplier Code of Conduct directs suppliers to procure sustainable products and services where feasible that: – Have a lower embodied 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 disassembled and/or recycled through common services – Are certified to internationally recognised standards or demonstrate other applicable sustainability criteria – Support our net zero emissions target
Health and wellbeing	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. Developments seeking Green Star Buildings certification are directed to integrate health and wellbeing management issues in the relevant category credits (Indoor Environment Quality in Green Star Design & As Built v1.3; Healthy Category in Green Star Buildings v1). At select developments, we elect to obtain WELL Certification to further enhance a property's health and wellbeing performance. Alternatively, indoor environment principles from the WELL certification are considered and incorporated into the development to improve and enhance the customer experience.
Location and transportation	Most of Dexus's portfolio is strategically located in Australia's major cities with strong multi-modal transport networks. Our site acquisition strategy is considerate of the transport attributes. We encourage active transport use of our customers by providing end-of-trip facilities in our properties and supporting initiatives such as access to bicycle maintenance through our online property portals. Developments seeking Green Star Buildings certification are directed to integrate multi-modal transportation access and facilities issues in the relevant category credits (Transport in Green Star Design & As Built v1.3; Places Category in Green Star Buildings v1).

Element	Dexus's approach
Supply chain	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.
Water consumption/management	We focus on sound water management through designing new properties to achieve minimum NABERS Water standards (office and retail), water capture (such as rainwater) opportunities and reuse and the specification and installation of water-efficient fixtures. Developments seeking Green Star Buildings certification are directed to integrate water consumption and management issues in relevant category credits (Water for Green Star Design & As Built v1.3; Positive Category for Green Star Buildings v1). 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 (office and retail) ambitions. Common requirements and measures included in developments are: – Requiring high efficiency fixtures to enhance indoor water efficiency – Requiring drought tolerant native landscaping and use of non-potable water application to capture alternative water sources (rainwater, stormwater, greywater) for non-potable water uses and 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 – Sub-metering of water uses in buildings
Waste management	We focus on waste management through development and implementation of construction and operational waste management plans. We consider a long-term ownership view in the design of spaces to accommodate the prevailing operational waste management practices. Developments seeking Green Star Buildings certification are directed to integrate waste management issues in relevant category credits (Operational Waste, Construction and Demolition Waste credit guidelines for Green Star Design & As Built v1.3; Responsible Category for Green Star Buildings v1). Expected inclusions within construction waste management plans are: – Construction waste signage – Targets for waste stream recovery, reuse and recycling – Waste separation facilities – Waste monitoring (including hazardous and non-hazardous waste monitoring) 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.

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, our people, suppliers, government, and media. 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	Dexus is listed on the Australian Securities Exchange (ASX: DXS) and has a large investor base of more than 29,000 Security holders. The majority of securities are owned by institutional investors such as superannuation funds, active equities managers, sovereign wealth funds and index funds. More than half of our investors are based offshore, with strong representation from North America, Europe, the United Kingdom and Asia. Objectives Our engagement with investors aims to: – Educate investors about our business and listed vehicles on our platform using accurate, timely and comprehensive information – Understand investors' perceptions about us – Exercise best endeavours to assist in Dexus's security price reflecting fair value – Enhance interest in Dexus as a suitable investment proposition – Maintain a diversified investor base – Benchmark our performance using ESG surveys and questionnaires How we engage 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 and feedback received from Dexus investors are addressed in a timely manner in accordance with Dexus's policy on the handling of enquiries and complaints. A core element of our engagement with investors is the comprehensive reporting of our performance through: – Annual and half-year reports that include property performance metrics, key events that have occurred and their impacts on the portfolio including but not limited to acquisitions, divestments and developments – Annual General Meetings and opportunity to meet the Board of Directors and Executive team – Quarterly update on property performance metrics – Participation in key broker conferences and events attended by institutional investors globally – Hosting tours on key properties to enhance investor understanding of our property portfolio – Sustainability performance reporting including current NABERS ratings, Green Star certifications, 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)	Dexus's funds management business has a diversified mix of institutional, wholesale and retail investors across its nineteen 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 in the institutional space. Additionally, individuals, self-managed super funds/discretionary trusts in the retail space are also represented. Objectives In addition to the objectives for Dexus investors, the funds management business works to: – 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 its diverse investor base – Promote transparency and ongoing two-way dialogue How we engage Regular quarterly update meetings, consultation meetings, investor day events are held for ongoing engagement with the institutional investors and regular communications and webinars held for our retail investors and distribution network. 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. Joint venture partners are intimately involved in the management of the portfolio and are included in decision-making on all major matters. 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). 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.
Government, regulators, and industry	We maintain an active and extensive engagement program to represent the interests of Dexus with various government authorities, politicians and industry bodies. Dexus contributes to industry associations through membership fees and sponsorship opportunities. 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. 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. Objectives The objectives of our engagement with government and regulators include: – 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

Stakeholder group	Engagement objectives and activities
Government, regulators, and industry (continued)	How we engage The Dexus Corporate Affairs and Communications team manages engagement with public authorities and industry associations. We work closely with the main body representing the property industry – the Property Council of Australia – 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 Property Council industry committees and may be requested to participate in working groups facilitated by the Property Council. 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 buildings, and strategic urban planning. We also work closely with the Committee for Sydney, Committee for Melbourne, Committee for Brisbane and Committee for Perth, independent peak advocacy and urban policy think tanks that advocate for the cities they represent. We regularly engage with the industry and broader stakeholder communities through speaking engagements, presentations or panel representation, at both Australian and international conferences and events. 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. 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.
Media	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. Objectives Objectives of our media engagement include: – Providing relevant, accurate information about Dexus and its activities to media outlets for dissemination – Managing and enhancing Dexus's reputation How we engage The Dexus Corporate Affairs and Communications team leads our engagement with mainstream media and LinkedIn and is responsible for the coordination of the group's external messaging to ensure accuracy and consistency. 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 & External Communication Guidelines provide 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 Corporate Affairs and Communications team. Dexus maintains a presence on the following social media networks: – LinkedIn – www.linkedin.com/company/dexus-property-group/ – Instagram – www.instagram.com/dexus_community We use LinkedIn to disseminate stories about our workspace insights and activities. Instagram is managed by the Marketing team and is used to market our spaces via imagery. The Dexus Social Media Guidelines describe our approach to social media and provides guidance for employees on the appropriate use of social media. 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.

Stakeholder group	Engagement objectives and activities
Communities at development projects	At all properties (100%) under development, we engage with local communities and relevant authorities as part of the development approvals process. Dexus believes that positively engaging with local communities and authorities foster good relationships at all stage of the development process and post completion. Objectives We recognise the value of community consultation on new developments and refurbishments to: – Provide relevant and accurate information about Dexus group development projects – Understand how development projects may impact local communities and inform mitigation activities – Receive community and stakeholder group feedback on development design and features How we engage 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: – 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 to our stakeholders (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
Communities at operational assets	The Strong Communities section of the Sustainability Approach and Procedures (pages 128–130) details how we engage local communities at operational assets.
Customers	The Future Enabled Customers section of the Sustainability Approach and Procedures (pages 121–127) details how we engage customers across our portfolio.
Employees	The Thriving People section of the Sustainability Approach and Procedures (pages 109–113) details how we engage our people.
Suppliers	The Supply Chain section of the Sustainability Approach and Procedures (pages 131–140) details how we engage our suppliers.





2.4 Evaluation and continuous improvement

We continuously evaluate our overall strategy and employ several mechanisms to monitor performance against strategic objectives, report progress to the GMC, and drive continuous improvements from the lessons learned.

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 selected development projects including but not limited to Green Star (5 Star Green Star Design & As Built v1.3, or 4 Star Green Star Buildings v1), NABERS, WELL	– Demonstration of sustainable development outcomes
	– Design to achieve net zero emissions in operation	– 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
	– Benchmark ESG performance	
	– Disclosures via Annual and half-year reporting	
	– Media reach	– Enhanced communication to general public
	– Social media analytics (followers and engagement)	– Enhanced reputation from strong positioning of brand and business activity
	– Community engagement for all development activities	– Understanding and responding to trends of interest
	– Fit for purpose engagement methods	– Positive relationships during and after development
		– Enhanced reputation



Thriving People

Building an engaged, capable and high-performing workforce, within an inclusive environment, that delivers on our strategy.

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 workplace health and safety (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 across our corporate offices and site-based teams within the Dexus group portfolio.



3.1 Roles and responsibilities

Several areas of our business, under the leadership of the Board and Group Management Committee (GMC), 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 Responsible for executing Thriving People strategy across: – Employee culture and engagement – Talent attraction and retention – Learning and development – Remuneration and benefits – Inclusion and diversity	Risk team 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 goals relating to our Thriving People focus areas and report on progress against these goals 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. Employee Engagement represents the level of enthusiasm and connection employees have with Dexus. It is a measure of how motivated people are to put in extra effort and a sign of how committed they are to staying. 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 e.g. Pulse surveys	Measure the moments that matter in the employee lifecycle and business lifecycle e.g. Live Q&A during CEO Town Halls	Deep dive into employee experience to respond to trends and explore the feedback e.g. Focus groups	Improve effectiveness by developing leaders, teams and Dexus as a whole 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 circumstances such as inclusion and diversity, change management, and health and wellbeing. An outcome of these surveys is an Employee Engagement Score, which we use as our key metric for tracking and is comprised of five engagement questions which encompass connection, motivation and commitment. We also analyse survey results by business unit to understand how sentiment varies across Dexus and to identify any focus areas. We set Employee Engagement Score 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 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.

All employees are employed in Australia and are paid a living wage above the Australian National Employment Standards.

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), Dexu 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

Dexus offers several 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.

Minimum notice periods for Dexu employees

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.

Managing organisational changes

Effectively delivering against both our strategic and operational requirements now and in the future results in consideration of our organisational capacity and the need for change.

Change initiatives vary in size and nature but can include adjustments to organisation structures, policy, process, behaviours or a combination of these.

Organisational changes are managed by identifying and assessing the change objectives, likely impact, stakeholders, dependencies, risks and benefits. When a program of change is endorsed, the business unit or leader sponsoring the change is accountable for overseeing stakeholder management, communications and reporting progress to Management.

Where a change involves organisational redesign, consideration is given to the capability requirements aligned with our strategic and operational goals. 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.

We provide career transition support that is tailored to the seniority of the individual and the role opportunities that match their experience and skillset. All levels of career transition support include access to a marketplace of services for the individual to use "points" allocated to select the wellbeing, career coaching, reskilling and career strategies to meet their personalised goals.

Employees remain eligible for our Employee Assistance Program for up to three months post their employment to provide additional personal support through any 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 and development plans to maintain and build upon their skills, knowledge and career experiences. 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 on page 114 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	Customers	Community
– Foster an inclusive culture – Recognise the unique needs of our people – Empower our people to use diverse talents	– Use diversity to achieve high performing culture – Differentiate Dexus from competitors – Enable delivery of outstanding results and service	– Ensure Dexus's population is demographically diverse and reflects the communities where we operate

Management Approach

Dimensions	Levers	Processes
– Gender identity – Caring responsibilities – Ethnicity and culture – Sexual orientation – Age and generation – First Nations culture – Ability	– 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	– 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

Dexus 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.

We have a target to achieve 40:40:20 gender representation in senior and executive management roles by FY25.

Dexus is committed to closing the gender pay gap, with a goal to achieving and maintaining pay parity in like-for-like roles.

Our approach to achieving gender pay parity is consistent with WGEA guidance, and includes:

- 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

Dexus'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.

Other initiatives focused on supporting gender diversity include:

- **Future Leaders in Property** – this program targets high school girls interested in exploring career opportunities within the property industry, and is aligned to active projects in Dexus's development pipeline
- **Champions of Change Coalition** – Darren Steinberg, Dexus CEO, champions gender equity within the property industry as part of the Champions of Change Coalition
- **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
- An 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
- Continued participation with 'Pink Elephants', Dexus's support of this charity that supports employees and families who've experienced miscarriage and early pregnancy loss.

Parent and care support at Dexus goes further than support during the early stages of parenthood. We have partnered with 'Parents At Work', a leading expert consultancy providing work and family education to provide Dexus parents and carers with access to their Work + Family Hub. The hub provides resources to support employees as they prepare for leave, manage their carer responsibilities or plan to support someone else. Employees are invited to join interactive webinars throughout the year to connect with others and share experiences on how to make the work-life juggle work.

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 a culture of inclusion and 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
- The Reconciliation Action Plan Working Group (RAP WG) is a cross-functional and national working group, established to progress the main objectives of the Reflect RAP and to ensure that we deliver a meaningful contribution to reconciliation. **NAIDOC Week** and **National Reconciliation Week** are recognised annually to acknowledge the history, and celebrate the culture and achievements of First Nations people
- Dexus participates in the **Share-A-Book** program where books are donated to indigenous, refugee and marginalised communities
- Dexus also celebrates cultural diversity on through the acknowledgement and celebration of various days of cultural significance throughout the year
- **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 133–138 detail our approach to supply chain management, including upholding human rights and addressing 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 primary carers 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. We also partner with the Black Dog Institute who specialise in the research of mental health and provide support through programs, digital tools, apps, clinical services and public resources.

Safe & Well supports the mental wellbeing of our people through:

- Access to services and information from mental health groups
- E-learning education programs
- 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
- Nutrition advice and resources

Safe & Well supports the financial wellbeing of our people through:

- Dexus days to promote wellbeing
- Wellbeing allowance of \$100 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 111)
- 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 116).

Maintaining a safe workspace

Our Work Health, Safety and Liability (WHS&L) statement demonstrates Dexus commitment to WHS&L. We recognise we have a duty of care to our investors, tenants, employees, agents and the wider community to ensure all Work Health, Safety and Liability (WHS&L) risks in our property portfolio are appropriately managed. To achieve this, we have implemented a comprehensive ISO 45001:2018 accredited workplace health and safety management system to ensure the effective management of WHS&L risks across the portfolio. 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 and Regulations that varies across the states where Dexus operates.

We implement a comprehensive workplace health and safety program that is certified under ISO 45001:2018, an internationally applied standard for occupational health and safety management systems. Through this system, we comprehensively monitor the health and safety of employees and manage solutions to prevent workplace incidents, risks 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 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 encourage our people 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 (CEC), Group Management Committee (GMC), 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 page 116 (customers, occupants, visitors) and page 138 (contractors).

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
- Participate and consult in WHS&E matters
- 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 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 an autonomous hybrid working model, our employees complete a Flexible Working Hazard checklist for workspaces outside of a Dexus corporate office location. 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 common hazards such as 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 – Performance management and role clarity – Recognition, reward and benefits – Activating the Dexus purpose – KPI setting process for each employee	– Employee confidence in role purpose – Employee confidence in role goals/objectives – Employee performance reviews – Employee satisfaction with enabling systems and processes – Participation in internal networking and events	– Employees feel appropriately matched to their roles – Enhanced employee satisfaction with their team and manager – Employee trust in management – Employees feel they have a pathway to advance at Dexus – Employees build connections, friendships, networks at work	– Increased employee engagement – Increased retention – Improved sense of fulfillment at work	– Reduced employee turnover costs and associated morale challenges – Enhanced employee productivity
Learning and development				
– Management training – Leadership training (including inclusive leadership) – Culture training – Technical / customer training	– Number of employees participating per training activity	– Enhanced employee skills in time management, managing people – Improved self-awareness of development opportunities – Enhanced capacity for influencing, negotiating, strategic problem solving – Employee understanding of expected values and behaviours – Enhanced understanding of customer needs	– Increased employee engagement – Increased retention – Improved sense of fulfillment at work – Customer NPS – Team engagement	– Reduced employee turnover costs and associated morale challenges – Enhanced employee productivity – Increased customer retention – Increased competitive advantage through enhanced capabilities
Inclusion and diversity				
– Policies and practices, including leave entitlements – Flexible job design – Supporting parents and carers – Diversity networks, initiatives, events	– More diversity in workforce – 40:40:20 gender representation in Dexus senior and executive management roles – Uptake of flexible working – Use of parent/carer support offering – Participation in diversity networks, initiatives and events	– Enhanced employee sentiment regarding their own inclusion – Enhanced employee sentiment regarding inclusion at Dexus – Enhanced employee awareness of inclusion and diversity issues – Minimised discrimination and harassment	– Increased employee engagement – Increased retention – Improved sense of fulfillment at work – Customer NPS – Team engagement	– Reduced employee turnover costs and associated morale challenges – Enhanced employee productivity – Reduced risk of compliance breaches

Thriving People impact map (continued)

Activities →	Outputs →	Employee Outcomes →	Employee benefit	Dexus benefit
Health and wellbeing				
– Safe & Well program	– Employee uptake of flu vaccines, skin checks, and other offers – Employee access to fresh food – Crisis/stress management support – Employee awareness of mental wellbeing tools – Employee participation in fitness activities – Access to Employee Assistance Programs	– Reduced incidents of flu, skin cancer – Increased employee consumption of fresh food – Improved employee physical fitness through sustained participation in fitness – Enhanced employee confidence regarding mental health	– Increased employee engagement – Reduced absenteeism – Improved employee health and wellbeing metrics	– Reduced employee turnover costs and associated morale challenges – Enhanced employee productivity – Increased customer retention – Increased competitive advantage through enhanced capabilities



Future enabled customers and strong communities



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

Dexus owns and manages a diverse Australian property portfolio including office, industrial, retail and healthcare properties, comprising 4,466 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 (GMC), 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 processes and mechanisms for building relationships with customers (including review of complaints from customers and third party capital partners)

Group Management Committee (GMC)

Ultimate responsibility for alignment of customer experience and community contribution activities with Dexus's strategy

Property Executive Committee (PEC)

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

- 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

Active property management

- 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

- Smart Building Blueprint
- Connectivity
- Portfolio standardisation
- Procurement
- Building system data
- Predictive analytics
- Building automation
- Cyber security
- Resilient buildings

Policy Framework

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.

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 – Digitisation of products and services – Technology explosion and rate of change – New opportunities – Customer demand – Real estate transformation and disruption Priority enablers – Premium connectivity – Portfolio standardisation – Portfolio-scale procurement – Cyber security framework for buildings – Resilient buildings	Value drivers Revenue – Customer experience and brand to attract and retain customers – Catalogue of customer proptech services – Fulfil increasing customer demands Cost – Fewer people required to run our buildings – Increased energy efficiency – Data driven maintenance and decisions – Remote and centralised operations Risk – 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 workplace 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. Our survey encompasses the performance of our people, buildings and services, plus customer future needs and general feedback. In recent years, we have also included questions around workplace responses to COVID-19 and remote working levels.

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, 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 at selected properties providing on-site assistance to customers, occupants, and visitors
- **Mobility services** – car sharing and car parking solutions (for example, Divvy)
- **Flexible space arrangements** – offerings such as Dexus Place, 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

4.3 Networking and customer connection

Every Dexu office property is a community of individuals. As a landlord, we 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 and activations
- **Events and activations** – a curated program of networking events, wellbeing activations, cultural and diversity celebrations that create community cohesion and enhance customer experience
- **Retail offerings, partnerships and promotions** – exclusive offers that connect Dexu 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 Dexu-managed properties are covered by a safety management system that is certified against ISO 45001:2018 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.

The inspection and audit program are designed to identify, assess and monitor risks associated with Dexu properties including general housekeeping, fire, essential services, plant and equipment, building structure, and emergency. The inspection and audit program is systematically implemented with frequency requirements generally based on risk. Where hazards are found, corrective actions are established and logged in Dexu's risk management system (Periskope) to be tracked until resolution of hazard.

Customer involvement is critical for ensuring a safe and productive workplace environment. Dexu engages with customers where required, 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 Dexu 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 Dexu senior management and to the relevant regulator depending on the nature of the incident, as specified in the manual. Dexu senior management provides a quarterly report to the Board Risk Committee with an update on WHSE performance including incidents and injuries experienced at Dexu assets (and Dexu 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 who have identified health and wellbeing as the highest importance to them and their business. Embracing wellness helps our customers attract talent. It is part of our value proposition, helping to attract and retain tenants.

The following activities are incorporated into our operational plans to ensure healthy indoor environments:

- 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 Dexu'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. Dexu 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. Dexu 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 range of health and wellbeing services, offerings and amenities within their properties and via online building portals. Types of amenities available include end-of-trip facilities, bicycle storage, 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
– Health and wellbeing trends – Property industry trends – Public health research – Customer feedback – Stakeholder consultation	– Mind – Body – Nutrition – Community – Environment	– 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, and Liveloo bike rental, our customers can access fitness opportunities at 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.

In all DexuS originated developments, we incorporate sustainable design principles in new developments and rate against the Green Building Council of Australia's (GBCA) Green Star Buildings rating tool and highlight the Green Star opportunities and features in 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 and tenancy 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 have positive impact towards costs and carbon emissions.

More information on our approach to reducing fit-out waste is provided on page 147.

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.

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.

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 by Dexus – Dexus Place – Speculative suites – National leasing team	– Improved customer access to products/ services, including their workforce – Reduced customer business downtime – Facilitate customer future needs, including expansion to new space – 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	– Strong customer relationships – Increased customer renewals – Increased property occupancy (reduced vacancy), WALE, building valuations – Non-rent revenue streams – Expand reach of Dexus platform to non-customers

Future Enabled Customers impact map (continued)

Activities →	Outputs →	Customer Outcomes →	Customer benefit	Dexus benefit
Networking and customer connection				
– Online building portal – Events and activations – On-site retail offerings, partnerships and promotions	– Improved customer access to products/ services, including their workforce – 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 access to products/ services, including their workforce – Customer workforce awareness of wellbeing information – Increased participation in health and wellbeing activities and use of facilities provided for active transport – 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	– 5 Star average NABERS Indoor Environment by 2025 – WELL Certification for select developments – Reduced emissions from customer workspace – Customer space uses less energy, water and generate less waste – Uptake of green leases	– Measure and verify our operational efforts to ensure healthy indoor environments – Verify the holistic health and wellbeing performance of new buildings – 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. It extends to our contributions to First Nations reconciliation in Australia through creating opportunities for career development and economic participation for First Nations peoples in the property industry and enabling Dexu employees and customers to participate in meaningful activities that will strengthen their awareness and cultural understanding.

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

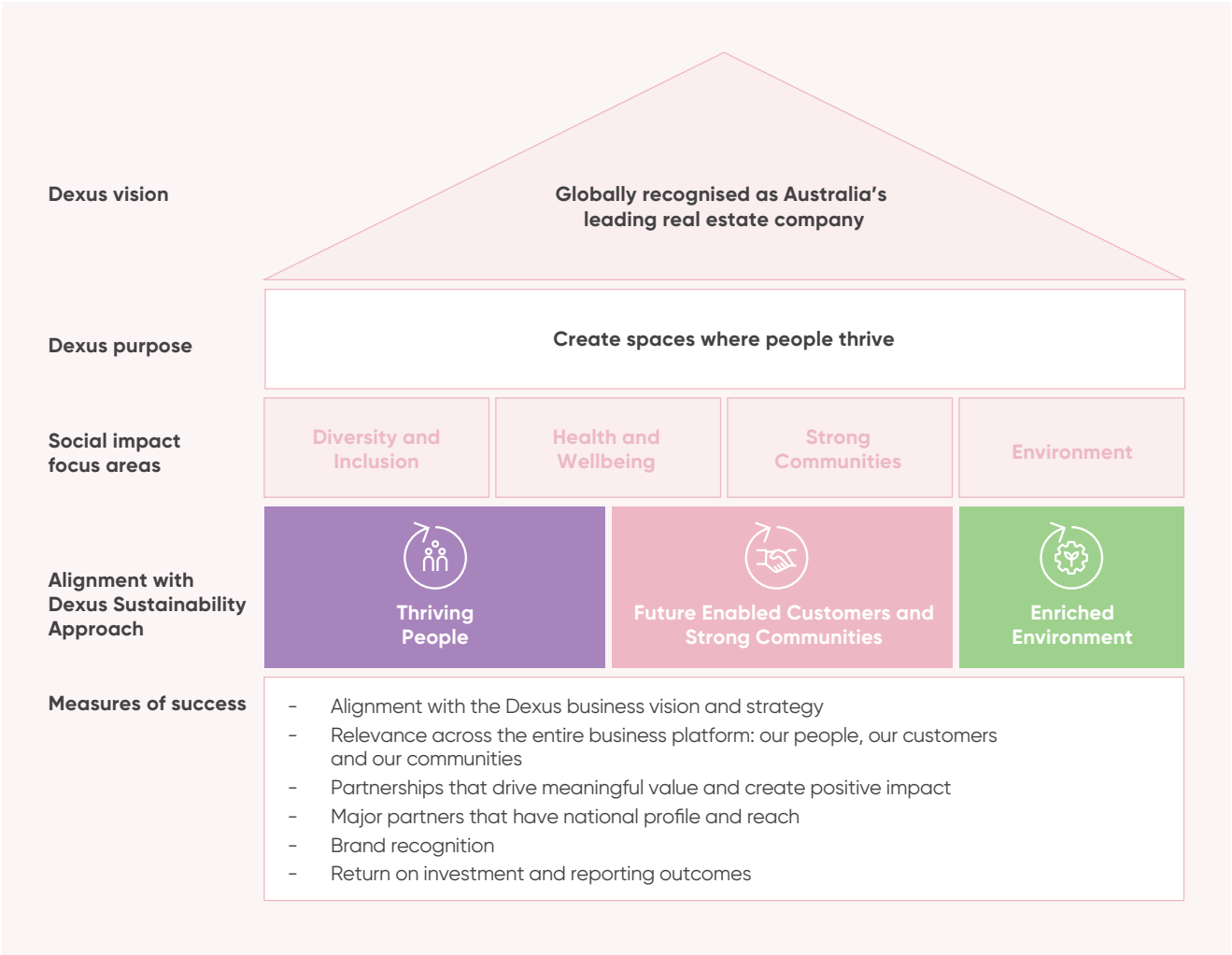
Several areas of our business, under the leadership of the Board and Group Management Committee (GMC), collaborate to deliver our objective of Strong Communities. The table below provides insight into the relevant management structure and policy framework.

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 (CEC)		
Management committee overseeing the integration of social impact initiatives into the Dexus Sustainability Approach		
Social Impact Working Group (SIWG)	Reconciliation Action Plan Working Group (RAPWG)	
Internal working group implementing Dexus's social impact strategy, including management of the major community partnerships	Internal working group implementing Dexus's 'Reflect' Reconciliation Action Plan including awareness, education and engagement activities	
Delivery functions		
Office, Industrial and Healthcare Property Management Retail Operations and Development Sponsorship and Events Marketing Sustainability		
Focus areas		
Corporate philanthropy	Activations and partnerships	Employee volunteering
– Charitable giving – Event sponsorships – Disaster relief – Dollar matching of employee donations	– Gifting the use of Dexus assets for charitable causes – Partnering with local authorities – Community activations – Engaging with local Traditional Owners of First Nations communities	– Employee volunteering – Volunteering leave – Team volunteering – Connecting employees with causes of interest
Policy framework		
Social Impact Strategic Framework Dexus Community Guidelines Dexus 'Reflect' Reconciliation Action Plan		

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 109 for more information on local community engagement at development sites.

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 FY22, the Social Impact Working Group (SIWG) continued to implement 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 the communities in which we operate.

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 for charity partners

Community partnerships that drive sustained value

Dexus's two major community partners, The Black Dog Institute and Planet Ark, complement Dexus's Sustainability Approach and strengthen its social impact as an organisation, delivering positive outcomes for the communities in which we operate, our people and our customers.

Dexus continues to work 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

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
- Creating opportunities for our people to contribute through volunteering initiatives

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 Dexus's social impact and engages our workforce in delivering our purpose.

We 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 Black Dog Institute and Foodbank.

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 Dexus or involving our suppliers, customers or the broader team should align with the Dexus 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 Dexus's community contribution comes from the use of our assets for community causes. Dexus-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 Dexus 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

Dexus 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	Financial value of cash donations to charitable organisations and community partners	- Direct support for community issues - Enhanced reputation within the communities in which we operate
Activations and partnerships	- 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	- 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	Total community volunteering hours and percentage participation of all Dexus employees	- Enhanced employee engagement and wellbeing - Enhanced connections between our employees and community organisations and partners

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.

Dexus acknowledges our responsibility to ensure that standards relating to people, the environment and the communities in which we operate are maintained and continuously improved throughout our supply chain. We recognise that we can have a positive influence on our suppliers, contractors and their employees, products and services and through positive, collaborative relationships, we will create shared value. We recognise the central role that suppliers play in optimising asset performance, managing risk and delivering customer amenity.

Dexus ensures that suppliers partnering with Dexus:

- Provide products and services that represent good quality and value, are fit for purpose, and comply with all legal requirements and standards
- Operate accordingly to sound environmental principles including reducing carbon emissions in line with Dexus's commitments
- Consider the impacts of their activities on the social and environmental sustainability of the communities in which we operate
- Manage their employees and upstream service providers ethically by upholding human rights, fair labour management practices and diversity and inclusion principles, in line with Dexus's signatory commitment to the United Nations Global Compact
- Provide their employees with a safe work environment, and the appropriate equipment, training and support

Supply chain composition

Dexus's supply chain encompasses a diverse range of products and services which are grouped into procurement categories. Dexus defines its preferred suppliers and applies an assessment of inherent supply chain ESG risk for each procurement category.

Dexus's main procurement categories

Procurement category	Inherent sustainability Risk		
	Environmental	Social	Economic
Building operations			
Cleaning and waste management	✓	✓	✓
Facility managers		✓	✓
Energy	✓		✓
Water	✓		
Security		✓	✓
Electrical, mechanical, hydraulic	✓	✓	✓
Lifts		✓	✓
Capital works	✓	✓	✓
Fire protection		✓	
Statutory fees and non-controllable expenses			✓
Landscaping	✓	✓	
Developments			
Developers and builders	✓	✓	✓
Façade materials	✓	✓	✓
Building materials locally sourced		✓	
Building materials internationally sourced	✓	✓	
Corporate			
IT	✓		✓
Events and conferences		✓	
Merchandise and promotions	✓	✓	

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 the supply chain platform wide	
Group Management Committee (GMC)	
Oversight of Dexus's procurement framework and coordinating its application across the group	
Property Executive Committee (PEC)	Corporate Executive Committee (CEC)
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
– Oversight of 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	– 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	
Sustainable Procurement Policy & Supplier Code of Conduct Tendering Human Rights Environment Policy & Statement Work Health Safety & Liability Statement Fraud, Corruption and Bribery (Prevention and Awareness) Conflicts of Interest Development & Construction Dexus Operating Limits Embargo Supplier List	
Implementation practice	
Procurement	Supplier monitoring
– 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 listing – Modern slavery risk ranking, performance	– 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

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 and sets the criteria in which a supplier can be assessed to be removed. 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 Sustainable Procurement Policy & 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.

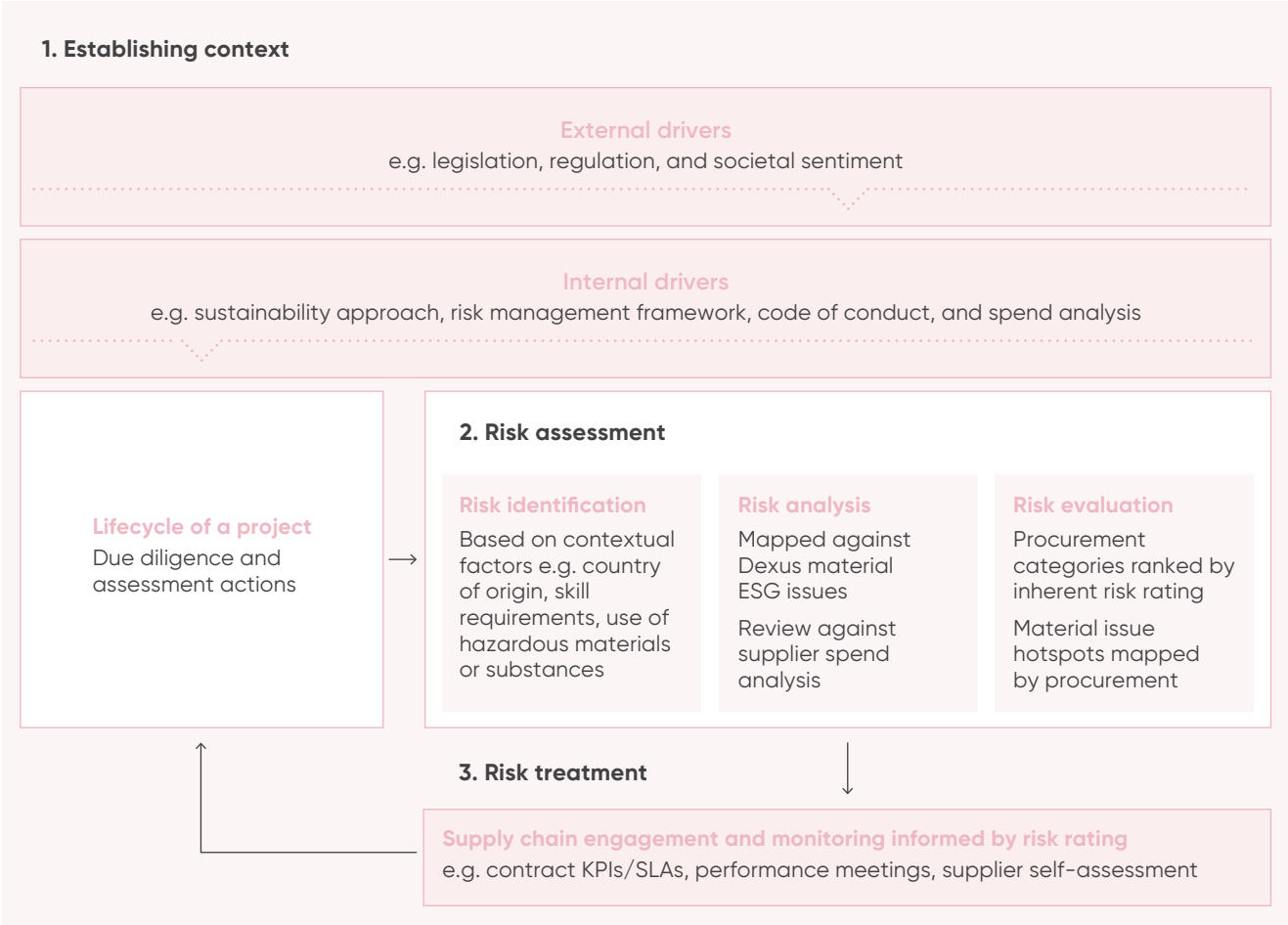
- 1. Contextual ESG factors are reviewed against emerging trends and issues. These are mapped against our procurement categories to identify the inherent ESG risks that may apply to Dexu
- 2. Supplier categories with significant inherent risk are analysed against our material ESG issues to assess each 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).

Managing supply chain

Our staged procurement and contract management process optimises performance and supplier service levels, manages risk, maintains symbiotic supplier relationships in order to 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.

Supply chain risk management process



Project stage	Due diligence actions	Assessment outcomes
0. Supply chain sustainability risk assessment and spend analysis		– 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	– 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	– Internal Audit of Operating Limits policy
2. Project is approved	– 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	– Internal Audit of Operating Limits policy
3. Quotes obtained or formal tender is issued	– 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	– Internal Audit of Operating Limits policy
4. Service provider is selected	– Service providers are evaluated during a rigorous and structured screening and ranking of suppliers, using a standardised balanced scorecard to assess service provider capability, ESG performance, service delivery and value	– The standardised balanced scorecard
5. Service provider is appointed	– 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		– Supplier management systems track on-site contractor activity and ensure contractors maintain licences and insurances – The Supplier management framework specifies frequency of review meetings between Dexus and suppliers
7. Service is monitored	– Our procurement team monitors supplier performance through site feedback, regular performance meetings and tracking against KPIs	– 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	– 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	– 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 Sustainable Procurement Policy & Supplier Code of Conduct as well as understand Dexus's requirements and commitments outlined in its 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 2–45).

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.

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 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 45001:2018 to address WHS&L risks across the portfolio. Dexus uses a third-party contractor management system across all Dexus managed assets to assist in contractor engagement and monitor contractor compliance with Dexus WHS&L system.

Contractor employees are required to identify the appropriate risk assessments such as 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
- Preferring 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	– Number of critical suppliers – Supplier relationship satisfaction score (0 to 10) – Supplier net promoter score (-100 to +100) – Value for money	– Stronger supplier relationships – Maintained service continuity – Minimise costs associated with service disruptions
Effective service delivery	– 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	– Customer satisfaction – Increased likelihood to renew leading to sustained revenue generation – Reduced compliance costs
Human rights		
Readiness for Modern Slavery legislation	– Supplier Code of Conduct in contracts affirmed by the contractor on an annual basis – Spot checks monthly – 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	– Reduced compliance costs associated with human rights – Enhanced reputation through minimal human rights impacts at Dexus
Fair Working Conditions	– Incidents of non-conformance – Corrective action plans	
Health and safety		
Maintain a safety culture	– A 'zero harm' safe workplace targeting zero fatalities – Selection and engagement of suitable contractors via comprehensive due diligence process – Establishment of contractor WHSE metrics including lead and lag indicators – Contractor WHSE training, communication and engagement (e.g. induction, safety alerts, contractor meetings) – Contractor risk management (e.g. SWMS, WHSE Project plans, permits) – Monitoring of contractor performance in accordance with Dexus WHSE system and contract requirements	– Enhanced worker health and wellbeing and engagement – Increase efficiency in risk management practices and achieving desired/ positive outcomes – Reduced incidence of injury – Reduced compliance costs associated with WHS – Enhanced reputation through minimal WHS impacts at Dexus sites and positive outcomes achieved – Reduced insurance costs

Enriched Environment



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 the environmental resilience of our property portfolio 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
- Investor demand

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 functions in the environment around us. 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 (embodied and operational carbon)
- 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	– Set environmental performance targets for all investments – Maximise energy and water performance of properties rated under NABERS ratings. Measure the sustainability attributes and continually improve using Green Star – Outperform industry benchmarks for GHG emissions, waste, indoor environmental quality, transport and social performance – Comply with applicable legislation
Optimising building environmental performance and resilience	– Identify opportunities to enhance both environmental and social performance – Develop business cases for building improvement opportunities with associated enhancement, operational savings and quantum of investment – Incorporate improvement opportunities within building asset plans
Being a sustainable developer	– Set high performance goals leveraging industry benchmark such as Green Star and NABERS – Whole of building efficiency design to deliver high performance goals – Invest holistically in building features that deliver sustainable returns for the owner and operator of the asset
Being a renewable energy producer	– Collaborate with industrial customers to incorporate on-site solar electricity generation for new developments and retrofit existing assets – Reduce emissions by evaluating and pursuing opportunities to incorporate renewables across existing industrial, retail and healthcare properties
Creating customer environmental partnerships	– 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	– Act with purpose and speed to reduce upfront carbon (in construction) and operate buildings on a net zero carbon emissions basis – 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

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 (GMC), 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 (CEC)

Coordination of portfolio environmental initiatives, linking business operations and corporate governance

Property Executive Committee

Executive-level committee overseeing property performance, development and customer objectives, including integration of environmental sustainability into asset operations

Dexus/CBRE Strategic Management Committee

Partnership committee across CBRE-managed properties providing oversight on delivery, performance team engagement and innovation

Retail Operations team

Team managing property and facility management operations across Dexus-managed retail centres

Enriched Environment delivery

Risk team

Responsibilities include:

- Risk management framework
- Environmental management system (ISO 14001 certified)
- Assisting with the management of climate change risk
- Hazardous materials management
- Supporting the identification, assessment and management of environmental risks

Sustainability team

Responsibilities include:

- Resource efficiency
- Employee engagement
- Industry engagement
- Continuous improvement targets
- Carbon neutrality
- Oversight of building environmental ratings
- Customer, investor engagement

Office, Industrial, Healthcare and Retail teams

Responsibilities include:

- Building operations
- Asset planning
- Customer engagement and green leasing
- Sustainable procurement

Developments and Capital Works team

Responsibilities include:

- New developments
- Major refurbishments
- Customer fit outs

Policies and systems

Environmental Statement | Biodiversity | Work Health Safety & Liability Statement | Environmental Management System | Sustainable Procurement Policy | Supplier Code of Conduct

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 38–43 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 have been installed in key office properties to assist in quantifying opportunities and measuring efficiency.

Asset teams review and develop asset plan for our office portfolio to assist and prioritise projects that maximise operational performance and reduce resource consumption. Our asset plan covers the following key elements:

- Holistic building performance review
- Asset plan review
- Identify key opportunities
- Develop business case to quantify investment and project

Assessing these elements informs the building performance. This assists us to plan and implement optimum plant and equipment upgrades to maximise energy efficiency and customers comfort.

We implement viable projects identified and aligned with the asset plan to complement the life cycle replacement and building improvement investment.

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
- Onsite renewables including solar PV and supportive infrastructure such as battery storage
- Electric vehicle charging facilities

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 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 undertaken at least annually 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. Water consumption that is reported is sourced from local utility water providers. 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, reflecting the diversity of Australia's climatic zones and seasonal patterns. Dexus recognises 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 asset plan 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

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.

Waste management

Waste generated by Dexus 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 148)

Construction waste

Dexus-owned construction sites are wholly managed by third-party contractors. Dexus 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 Green Star certification that 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.

Operational waste

We contribute to and have adopted the City of Sydney's Better Buildings Partnership (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

Dexus supports and implements the BBP strip-out Waste Guidelines and for each tenancy de-fit project we aim to consistently achieve 80% materials diversion.

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 Dexus or at Dexus assets is managed in accordance with the Dexus Environmental Management System (page 148). Dexus 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 Star certification program, 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 Sustainable Procurement Policy and 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:

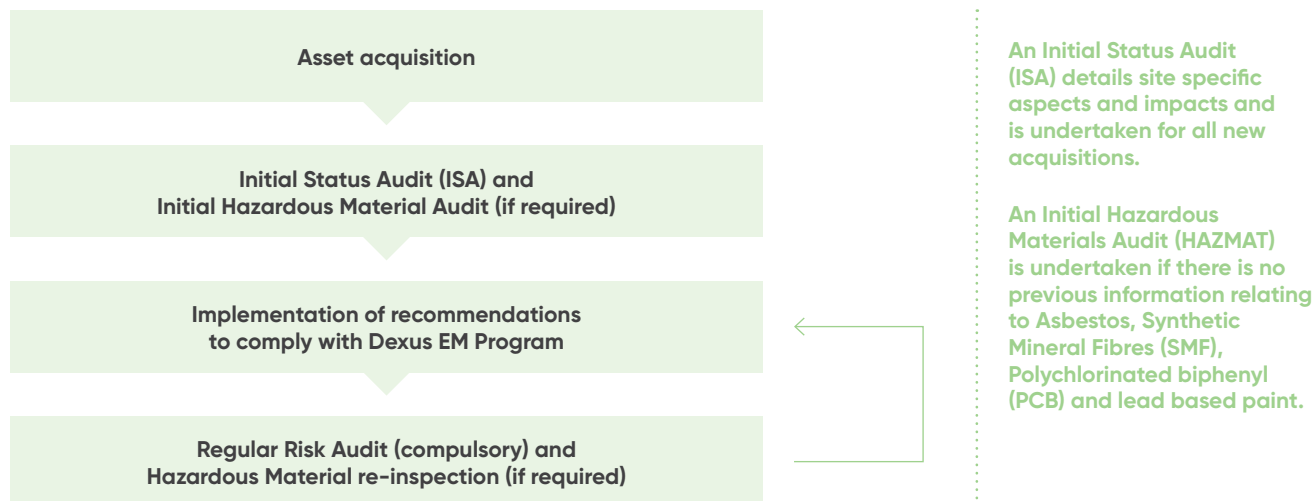
- **Personal health and safety audits:** compliance/spot audits, work health and safety risk profile, certification of safety system to international standard ISO 45001:2018, Principal Contractor audit, incident investigations
- **Building safety:** confined space risk assessment, plant risk assessment, 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 ISO 14001. 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 EM 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

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 Towards Climate Resilience report, 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 with new and updated information that continues to emerge regarding the scale, likelihood and geographic 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 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	Board Risk Committee 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 (GMC) Leads and monitors the delivery of carbon reduction and climate resilience activities across the group		
Corporate Executive Committee (CEC) 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 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 Reports annual energy and emissions in line with the National Greenhouse and Energy Reporting Act 2007 (NGER Act).	Risk team 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	Property Executive Committee; Dexus/CBRE Strategic Management Committee Operational accountability for managing climate-related issues, with support from the Sustainability and Risk teams

The Board ESG Committee complements the work of 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 Dexu cross-functional 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.

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), 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.

Scenario (source)	How the scenario has informed Dexu'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 Dexu'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 Dexu's target to achieve net zero emissions by 30 June 2022.
Shared Socioeconomic Pathways (Intergovernmental Panel on Climate Change)	Used to define plausible trajectories of global warming within the scenarios developed for Dexu's Towards Climate Resilience report.
Inevitable Policy Response, Forecast Policy Scenario (Principles for Responsible Investment)	Incorporated into the "Delay and disruption" scenario within Dexu's Towards Climate Resilience report, 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 Dexu Climate Scenario Analysis Supplement, available at www.dexu.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 transition will be 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
4. Climate governance to support a culture that understands and appropriately acts on climate-related issues at board and management levels

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.

Dexus climate resilience strategy		
Reducing our impact	Adapting to climate change	Influencing our value chain
Mitigating our contribution to climate change – 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 – 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 – Engaging with customers to adopt a whole building approach – Adopt a life-cycle approach and net zero emissions targets in new developments (NABERS Energy 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)
– Day-to-day acute physical risks to properties from climate-related events – Energy price volatility – Carbon offset pricing 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	– 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	– 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

Climate risk management

Climate change is listed on the Dexus 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, Dexus 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 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 (outlined on page 150) 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 Dexus'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 Dexus'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, Dexus conducted an economic analysis of the climate-related transition impacts relevant to Dexus's customer base over the next 10 years. The economic analysis explored the implications of transition risks to Dexus'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 Dexus'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 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
– 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 65–85) – 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 67 and 70) – Carbon intensity: Track ongoing change in intensity for group office portfolio (to account for portfolio changes) against internal targets and external benchmarks (see page 68) – Emissions productivity index: Track economic output that is derived from each tonne of greenhouse gas emissions generated (see page 79, 83, 85)	– 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

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.

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 72-75 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 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 Renewable Energy Certificates and deploying renewable Energy Supply Agreements across the portfolio

- Incorporating environmental performance into new developments and investment decision making
- Maintaining carbon neutral certification under the Climate Active Carbon Neutral Standard via participation in the Climate Active Australian Government Carbon Neutrality Program
- Actively participating in industry collaborations including GRESB and the City of Sydney's Better Buildings Partnership

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. This is delivered 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 our 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). Through these initiatives, we seek to harness natural resources 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 nature-based offsets.

We are a signatory to the Australian Government's Climate Active program 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 expanded 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-focused NABERS Co-Assess 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 and ESG related fields.

Facility managers

Dexus 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 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 Dexus 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 133-141) for further information.

Industry collaboration on climate action

Dexus'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. Dexus 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.

Dexus 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, Dexus is a partner of the Green Building Council of Australia's Carbon Positive Roadmap for the built environment, a member of the Property Council of Australia's National Sustainability Roundtable and have pledged our 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. Performance against goals is 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 undertaken at least annually for applicable office and retail assets across its portfolio.

We employ measures to assess ESG performance including:

- Monitoring utility consumption (energy, water, and waste) 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
- Asset plans include energy/water projects identified from audits and employee/customer suggestions.
- 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 Dexus 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 recognise there are challenges in delivering ESG outcomes across the portfolio. We seek to learn and evolve the journey to guide the portfolio to achieve our ESG target

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 asset certifications such as NABERS, Green Star, and ESG benchmarks such as GRESB

The table below outlines key performance indicators that we use to measure outputs and impacts related to our environmental performance

Topic	Outputs	Impact
Energy consumption and greenhouse gas emissions		
Reduce like-for-like portfolio energy use and greenhouse gas emissions	– Absolute energy consumption (GJ) – Absolute scope 1 and 2 greenhouse gas emissions (t CO₂-e) – Source 100% of electricity for base building power needs from renewable sources by FY22 across the Group-managed portfolio	– Reduction in extraction and use of fossil fuels – Mitigation of climate change
Energy efficiency		
Maximise portfolio energy efficiency	– Net zero greenhouse gas emissions scope 1,2 and 3 by FY22 across the Group-managed portfolio – Energy intensity (MJ/sqm)	– Better utilisation of natural resources accounting for portfolio changes – Reduced energy costs
Climate change impacts		
Target Australian best practice	– Reduce energy intensity by 10% across the Group-managed office portfolio by FY25 against a FY19 baseline – NABERS Energy portfolio star rating – Greenhouse gas emissions intensity (kg CO₂-e/sqm) through focus on leading performance – Climate risk assessments and minimise exposure	– 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	– NABERS Water portfolio star rating – Water consumption	– Reduction in use of potable water and better utilisation of water on site – Reduced water management cost
Waste management		
Maximise data collection coverage across office and retail portfolio Increase recycling rate and reduce the percentage of waste sent to landfill across office and retail portfolio	– NABERS Waste portfolio star rating – Deficit waste resource recovery rate target of 80% – Waste data coverage = Percentage of total office and retail lettable area with waste data – Waste diversion (%) = total recycled waste / (total recycled waste + waste to landfill) – Waste to landfill intensity = total waste to landfill / total office and retail lettable area with waste data	– Understanding of Dexu waste management impacts – 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 – Reducing waste management cost
Biodiversity		
Net positive impact and have integrated biodiversity management within the business	– Green Star rating of ecological value/nature credits for new developments – Biodiversity KPIs/SLA in landscaping contract – Investments in 'nature-based' carbon credit offsets	– Protect and promote local ecology, enhancing ecosystem productivity and agriculture, and maintaining ecological diversity





GRI Content Index

Dexus referred to the Global Reporting Initiative GRI Standards to help determine the 2022 Sustainability Report boundaries and for guidance on identifying and reporting material issues, management approaches and procedures, and key performance indicators.

Dexus has elected to prepare its 2022 Sustainability Report in accordance with the GRI Standards (Core) Reporting Guidelines. By implementing the GRI Reporting Principles, Dexus was required to disclose its management approach and procedures, and performance, against a list of standard disclosures, as well as topic-specific disclosures based on the list of material topics. Dexus's 2022 Materiality Assessment Process is described on pages 6-7 of this Report.

Dexus has reported against the two main types of GRI Reporting Standards:

- **Universal Standards – GRI 102 General Disclosures 2016 and GRI 103 Management Approach 2016:** disclosures that report contextual information about the group and the management approach for each material topic.
- **Topic-Specific Disclosures:** indicators that elicit comparable information on the group's economic, environmental, and social performance for each material issue.

Dexus is aware that GRI has published revised Universal Standards and that they are in effect for reporting from 1 January 2023. Dexus will prepare its 2023 Sustainability Report in alignment with the revised Universal Standards.

General Disclosures

Number	Disclosure	Reference	Remarks/Omissions
GRI 102: General Disclosures 2016			
102-1	Name of the organisation	Annual Report , page 5 – About Dexus	
102-2	Activities, brands, products, and services	Dexus website – Discover Dexus	Dexus does not produce or sell any products that are banned in certain markets.
102-3	Location of headquarters	Dexus website – Get in touch	Level 25, Australia Square, 264-278 George Street Sydney NSW 2000
102-4	Location of operations	Annual Report , page 5 – About Dexus	Dexus operates in Australia.
102-5	Ownership and legal form	Dexus website – Discover Dexus – About us: Corporate Governance	
102-6	Markets served	Annual Report , page 5 – About Dexus	
102-7	Scale of the organisation	Annual Report , page 5 – About Dexus Annual Report , pages 52-55 – Performance – People and capabilities Annual Report , page 121 – Consolidated Statement of Comprehensive Income Annual Report , page 122 – Consolidated Statement of Financial Position Annual Report , page 196 – Additional Information: Top 20 Security Holders of 30 July 2022	
102-8	Information on employees and other workers	Sustainability Report , pages 20-25 – Sustainability Performance Pack – Thriving People Sustainability Report , pages 50-59 – Sustainability Data Appendix – Thriving People	
102-9	Supply chain	Sustainability Report , pages 32-33 – Sustainability Performance Pack – Supply Chain Management Sustainability Report , page 62 – Sustainability Data Appendix – Future Enabled Customers and Strong Communities: Supply chain Sustainability Report , pages 131-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities: Supply chain	
102-10	Significant changes to the organisation and its supply chain	Annual Report , pages 6-9 – Chair and CEO review Annual Report , pages 28-69 – Performance Sustainability Report , pages 32-33 – Sustainability Performance Pack – Supply Chain Management Sustainability Report , page 62 – Sustainability Data Appendix – Future Enabled Customers and Strong Communities: Supply chain	
102-11	Precautionary Principle or approach	Sustainability Report , pages 141-155 – Management Approach and Procedures – Enriched Environment Dexus's Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk	
102-12	External initiatives	Annual Report , page 201 – Our memberships and affiliations Dexus website – Discover Dexus – About us: Memberships and affiliations	
102-13	Membership of associations	Annual Report , page 86 – Our memberships and affiliations Dexus website – Discover Dexus – About us: Memberships and affiliations	

Number	Disclosure	Reference	Remarks/Omissions
102-14	Statement from senior decision-maker	Annual Report , pages 6-9 – Chair and CEO review	
102-15	Key impacts, risks, and opportunities	Annual Report , pages 6-9 – Chair and CEO review Annual Report , pages 12-27 – Approach Sustainability Report , pages 84-155 – Management Approach and Procedures Towards Climate Resilience Report , pages 19-21 – Climate-related issues	
102-16	Values, principles, standards, and norms of behaviour	Annual Report , pages 12-13 – How we create value Sustainability Report , pages 8-9 – Sustainability Performance Pack – Dexu Sustainability Approach Sustainability Report , pages 109-121 – Management Approach and Procedures – Thriving People 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	Sustainability Report , pages 86-95 – Management Approach and Procedures – Sustained 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 Whistleblower Policy	
102-18	Governance structure	Corporate Governance Statement , page 1 – Governance dashboard 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	
102-19	Delegating authority	Sustainability Report , pages 87-88 – Management Approach and Procedures – Sustained Value: Corporate governance framework Sustainability Report , page 121 – Management Approach and Procedures – Future Enabled Customers and Strong Communities – Future Enabled Customers management framework Sustainability Report , page 128 – Management Approach and Procedures – Future Enabled Customers and Strong Communities – Strong Communities management framework Sustainability Report , page 133 – Management Approach and Procedures – Future Enabled Customers and Strong Communities: Supply chain management framework Sustainability Report , page 143 – Management Approach and Procedures – Enriched Environment: Environmental impacts management framework Corporate Governance Statement , page 12 – Sub-Section 3.5 Sustainability and responsible investment	
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance Statement , page 12 – Sub-Section 3.5 Sustainability and responsible investment	

Number	Disclosure	Reference	Remarks/Omissions
102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability Report , page 14 – Sustainability Performance Pack – Sustained Value: Engaging with investors Sustainability Report , page 88 – Management Approach and Procedures – Sustained Value – Board and management committees Sustainability Report , pages 96-108 – Management Approach and Procedures – Leading Cities Sustainability Report , page 153 – Management Approach and Procedures – Enriched Environment: Stakeholder collaboration on environmental performance Corporate Governance Statement , page 15 – Principle 6: Respect the rights of Security holders Dexus website – Contact Us	
102-22	Composition of the highest governance body and its committees	Annual Report , pages 71-77 – Governance Corporate Governance Statement , pages 5-10 – Principle 2: Structure the Board to be effective and add value	
102-23	Chair of the highest governance body	Annual Report , pages 74-77 – Board of Directors	
102-24	Nominating and selecting the highest governance body	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	
102-25	Conflicts of interest	Annual Report , page 116 – Directors' Report – Directors' directorships in other listed entities Sustainability Report , page 90 – Management Approach and Procedures – Sustained Value: Conflicts of interest 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 Dexus website – Policies	
102-26	Role of highest governance body in setting purpose, values, and strategy	Annual Report , pages 22, 29, 43, 53, 57, 63 – Board Focus Sustainability Report , page 87 – Management Approach and Procedures – Sustained Value: Corporate governance framework Sustainability Report , page 97 – Management Approach and Procedures – Leading Cities managing framework Sustainability Report , page 110 – Management Approach and Procedures – Thriving People management framework Sustainability Report , page 121, 128, 133 – Management Approach and Procedures – Future Enabled Customers and Strong Communities – Management framework(s) Sustainability Report , page 143 – Management Approach and Procedures – Enriched Environment: Environmental impacts management framework Corporate Governance Statement , pages 2-4 – Principle 1: Lay solid foundations for management and oversight	
102-27	Collective knowledge of highest governance body	Annual Report , page 72-73 – Governance – Board skills and experience Corporate Governance Statement , pages 5-10 – Principle 2: Structure the Board to be effective and add value	
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	

Number	Disclosure	Reference	Remarks/Omissions
102-29	Identifying and managing economic, environmental, and social impacts	Annual Report , pages 22–26 – Key risks Sustainability Report , pages 6–7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , pages 84–155 – Management Approach and Procedures Corporate Governance Statement , page 16 – Principle 7: Recognise and manage risk	
102-30	Effectiveness of risk management processes	Annual Report , pages 22–26 – Key risks Sustainability Report , pages 93–95 – Management Approach and Procedures – Sustained Value: Risk Management Framework Corporate Governance Statement , page 16 – Principle 7: Recognise and manage risk	
102-31	Review of economic, environmental, and social topics	Annual Report , page 114 – 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 , pages 6–7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , pages 86–88 – Management Approach and Procedures – Sustained Value	
102-32	Highest governance body's role in sustainability reporting	Corporate Governance Statement , page 12–Sub-Section 3.5 Sustainability and responsible investment	The 2022 Annual Report has been reviewed and approved by senior executives and managers across relevant business units.
102-33	Communicating critical concerns	Sustainability Report , pages 89–93 – Management Approach and Procedures – Sustained Value: Operational practices Corporate Governance Statement , page 16 – Principle 7: Recognise and manage risk	
102-34	Nature and total number of critical concerns	Annual Report , pages 22, 29, 43, 53, 57, 63 – Board Focus Annual Report , pages 22–26 – Key risks Sustainability Report , pages 6–7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , page 55 – Sustainability Data Appendix – Thriving People: Work, health, and safety Towards Climate Resilience , pages 19–21 – Climate-related issues	
102-35	Remuneration policies	Annual Report , pages 78–111 – Remuneration Report Corporate Governance Statement , page 17 – Principle 8: Remunerate fairly and responsibly	
102-36	Process for determining remuneration	Annual Report , pages 78–111 – Remuneration Report	
102-37	Stakeholders' involvement in remuneration	Annual Report , pages 6–9 – Chair and CEO Review Annual Report , pages 78–111 – Remuneration Report Corporate Governance Statement , page 15 – Principle 6: Respect the rights of security holders	
102-38	Annual total compensation ratio	Sustainability Report , page 59 – Sustainability Data Appendix – Thriving People – Remuneration ratios	
102-39	Percentage increase in annual total compensation ratio	Sustainability Report , page 59 – Sustainability Data Appendix – Thriving People – Remuneration ratios	
102-40	List of stakeholder groups	Sustainability Report , pages 104–107 – Management Approach and Procedures – Leading Cities: Stakeholder engagement	

Number	Disclosure	Reference	Remarks/Omissions
102-41	Collective bargaining agreements	Sustainability Report , page 57 – Sustainability Data Appendix – Thriving People: Recruitment	
102-42	Identifying and selecting stakeholders	Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , page 8 – Sustainability Performance Pack – Independent Assurance and Boundary terms Sustainability Report , pages 104-107 – Management Approach and Procedures – Leading Cities: Stakeholder engagement	
102-43	Approach to stakeholder engagement	Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , page 8 – Sustainability Performance Pack – Independent Assurance and Boundary terms Sustainability Report , pages 104-107 – Management Approach and Procedures – Leading Cities: Stakeholder engagement Dexus website – Discover Dexus – Sustainability – Sustainability approach	
102-44	Key topics and concerns raised	Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality	
102-45	Entities included in the consolidated financial statements	Annual Report , Cover Page 2 – About this report	
102-46	Defining report content and topic boundaries	Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , page 8 – Sustainability Performance Pack – Independent Assurance and Boundary terms Sustainability Report , pages 86, 96, 109, 120, 142 – Management Approach and Procedures	
102-47	List of material topics	Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality	
102-48	Restatements of information	Annual Report , page 183 – Note 26 Parent entity disclosures Sustainability Report , page 64 – Sustainability Data Appendix – Enriched Environment – Resource consumption data preparation	
102-49	Changes in reporting		There have been no significant changes from the previous reporting period in the list of material topics and topic boundary, or the measurement methods applied in the report.
102-50	Reporting period		Fiscal Year 2022 (1 July 2021 – 30 June 2022).
102-51	Date of most recent report		Fiscal Year 2021 (1 July 2020 – 30 June 2021).
102-52	Reporting cycle	Annual Report , Cover Page Two – About this report	Reporting Cycle is annual, period ending 30 June 2022.

Number	Disclosure	Reference	Remarks/Omissions
102-53	Contact point for questions regarding the report	Annual Report , page 117- Making Contact	For further information please contact: Investors Rowena Causley Head of Listed Investor Relations +61 2 9017 1390 +61 416 122 383 rowena.causley@dexus.com Media Louise Murray Senior Manager, Communications & Government Relations +61 2 9017 1446 +61 403 260 754 louise.murray@dexus.com
102-54	Claims of reporting in accordance with the GRI Standards	Annual Report , page 202 – Report Scope Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , page 85 – Management Approach and Procedures	
102-55	GRI content index	Sustainability Report , pages 157-181 – GRI Content Index	
102-56	External assurance	Annual Report , page 120 – Auditor's Independence Declaration Annual Report , pages 186-195 – Independent Auditor's Report Sustainability Report , page 8 – Sustainability Performance Pack – Dexus Sustainability Approach: Independent assurance Sustainability Report , pages 184-193 – Sustainability Assurance Statement Corporate Governance Statement , page 13 – Sub-Section: 4.1 Board Audit Committee Selection and Appointment of External Auditors Policy	PwC is an independent auditor engaged by Dexus to audit Dexus's financial reports and provide an Independent Limited Assurance Report over key aspects of Dexus's 2022 Sustainability Performance as reported in the 2022 Annual Report and in the online reporting suite on the Dexus website.

Material Topic Disclosures

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Upholding a social licence to operate by meeting stakeholder expectations for ESG performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report page 96 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	103-2	The management approach and its components	Sustainability Report , pages 26-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities Sustainability Report , pages 133-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities – Supply Chain	
	103-3	Evaluation of the management approach	Sustainability Report , pages 26-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities Sustainability Report , pages 60-62 – Sustainability Data Appendix – Future Enabled Customers and Strong Communities Sustainability Report , pages 131-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities – Supply Chain	
GRI 204: Procurement Practice 2016	204-1	Proportion of spending on local suppliers		99.99% of operational expenditure for the group's managed portfolio are Australian-based suppliers. This includes Australian divisions of international companies.
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products, and services on biodiversity	Sustainability Report , page 40 – Sustainability Performance Pack – Enriched Environment – Biodiversity Dexus's Biodiversity Policy	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Report , pages 32-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities: Supply Chain Management Sustainability Report , pages 131-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities: Supply Chain	In FY22, the business did not receive any complaints or grievances regarding negative environmental impact due to supplier and/or service provider activities.

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
GRI 410: Security Practices	410-1	Security personnel trained in human rights policies or procedures	Sustainability Report , page 137 – Management Approach and Procedures – Future Enabled Customers and Strong Communities: Addressing modern slavery risk in our supply chain	
GRI 412: Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainability Report , pages 32-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities: Supply Chain Management Sustainability Report , pages 109-119 – Management Approach and Procedures – Thriving People Sustainability Report , pages 119-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	412-2	Employee training on human rights policies or procedures	Sustainability Report , page 59 – Sustainability Data Appendix – Thriving People – Training and development Sustainability Report , pages 109-119 – Management Approach and Procedures – Thriving People Human Rights Policy	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Sustainability Report , pages 32-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities: Supply chain management Sustainability Report , pages 119-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report , pages 96-108 – Management Approach and Procedures – Leading Cities Sustainability Report , pages 119-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Report , pages 30-31 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities: Strong communities	In FY22, there were no potential or actual material negative impacts identified. Positive impacts are reported at the referenced location.

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainability Report, pages 32-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities: Supply chain management Sustainability Report, pages 131-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities: Supply chain	
	414-2	Negative social impacts in the supply chain and actions taken	Sustainability Report, pages 30-31 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities: Supply chain management Sustainability Report, pages 131-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities: Supply chain	Dexus monitors industry dialogue regarding labour practices through our use of Informed 365, our participation in the Property Council of Australia's Modern Slavery Group, UNGC Modern Slavery Community of Practice, and via adverse media monitoring. In FY22, there were no material impacts identified through monitoring of our suppliers. Dexus will continue to enhance supplier engagement by improving data collection and reporting regarding supplier performance (including labour practices). By extending the reach of our Supplier Surveys and Contractors' Net Promoter Score, providing human rights awareness training to all suppliers and their workforces, and by making available the confidential Your Call Service. The 2022 Modern Slavery Statement will be available in December 2022.

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
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 22–26 – Key risks Sustainability Report , pages 6–7 – Sustainability Performance Pack – Our approach to materiality Corporate Governance Statement , page 14 – Principle 5 – Make timely and balanced disclosure	
	103-2	The management approach and its components	Annual Report , pages 115–119 – Investor Information Sustainability Report , pages 86–89 – Management Approach and Procedures – Sustained Value Corporate Governance Statement , page 14 – Principle 5 – Make timely and balanced disclosure	
	103-3	Evaluation of the management approach	Annual Report , pages 193–197 – Investor Information Sustainability Report , page 95 – Management Approach and Procedures – Sustained Value – Evaluation and process improvement Corporate Governance Statement , page 14 – Principle 5 – Make timely and balanced disclosure	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	Sustainability Report , pages 93–94 – Sustained Value – Risk Management Framework Corporate Governance Statement , page 16 – Principle 7 – Recognise and manage risk – 7.2 Risk management	
	205-2	Communication and training about anticorruption policies and procedures	Sustainability Report , page 102 – Sustained Value – Operational practices – Conflicts of interest Sustainability Report , page 70–79 – Sustainability Data Appendix – Thriving People 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 Dexus website – Corporate Governance – Policies – Directors' Code of Conduct	
	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report , page 50–59 – Sustainability Data Appendix – Thriving People	
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 FY22.

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
GRI 307: Environmental Compliance 2016	307-1	Noncompliance with environmental laws and regulations		In FY22 Dexus recorded no significant incidents of non-compliance with environmental laws and/or regulations. Dexus did not receive any 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 , page 106 – Management Approach and Procedures – Leading Cities – Stakeholder engagement Annual Report , page 201 – Our memberships and affiliations Dexus website – About us – Our memberships and affiliations	Dexus does not give any contributions – financial or in-kind – to political parties or politicians. During FY22, Dexus contributed \$445,183 to trade associations for memberships, business services and event sponsorships. In FY22, the top three trade associations that Dexus contributed to were: 1. Property Council of Australia 2. Shopping Centre Council of Australia 3. Committee for Sydney For further detail about Dexus's engagement with trade associations, in FY22, refer to Dexus's 2022 CDP Report Submission.
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information and labelling	Dexus's Sustainable Procurement Policy and Supplier Code of Conduct , pages 7-9 – Performance Standards – 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 in FY22.
GRI 419: Socioeconomic 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 FY22.
GRI 102: General Disclosures 2016 – Stakeholder Engagement 2016	102-44	Key topics and concerns raised	Sustainability Report , pages 26-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities Sustainability Report , page 60-62 – Sustainability Data Appendix – Future Enabled Customers and Strong Communities	

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 , page 117 – Management Approach and Procedures – Leading Cities	
	103-2	The management approach and its components	Sustainability Report , pages 6-7 – Our approach to materiality Sustainability Report , pages 117-128 – Management Approach and Procedures – Leading Cities	
	103-3	Evaluation of the management approach	Annual Report , pages 2-3 – FY22 highlights Annual Report , pages 28-69 – Performance Sustainability Report , pages 118-119 – Management Approach and Procedures – Leading Cities	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Annual Report , pages 2-3 – FY22 highlights Annual Report , pages 28-69 – Performance Annual Report , pages 113-195 – Financial Report – Consolidated Statement of Comprehensive Income, page 121 – Consolidated Statement of Financial Position, page 122 – Consolidated Statement of Changes in Equity, page 123 – Consolidated Statement of Cash Flows, page 124 Annual Report , pages 78-111 – Remuneration Report Sustainability Report , pages 26-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities	
	201-2	Financial implications and other risks and opportunities due to climate change	Annual Report , pages 22-26 – Key risks Sustainability Report , pages 34-43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , pages 141-155 – Management Approach and Procedures – Enriched Environment Towards Climate Resilience , pages 19-21 – Climate-related issues	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
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 FY22 Dexus provided superannuation contributions at the legislated contribution rate of 10%, unless elected at a higher rate by an employee as part of a voluntary contribution.
	201-4	Financial assistance received from government	Sustainability Report , page 74 – Sustainability Data Appendix – Enriched Environment: Energy Savings Scheme	Dexus did not undertake any Energy Saving Certificates (ESCs) transactions, resulting in \$0 revenue for the year.
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Annual Report , pages 42-51 – Properties Sustainability Report , pages 16-19 – Sustainability Performance Pack – Leading Cities Sustainability Report , pages 26-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities	
	203-2	Significant indirect economic impacts	Sustainability Report , pages 16-19 – Sustainability Performance Pack – Leading Cities Sustainability Report , pages 26-33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Championing an inclusive and high performing culture				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Annual Report , pages 22–26 – Key risks Sustainability Report , pages 6–7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , page 109–119 – Management Approach and Procedures – Thriving People	
	103-2	The management approach and its components	Sustainability Report , pages 20–25 – Sustainability Performance Pack – Thriving People Sustainability Report , page 109–119 – Management Approach and Procedures – Thriving People	
	103-3	Evaluation of the management approach	Sustainability Report , pages 20–25 – Sustainability Performance Pack – Thriving People Sustainability Report , pages 50–59 – Sustainability Data Appendix – Thriving People Sustainability Report , page 109–119 – Management Approach and Procedures – Thriving People	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Sustainability Report , page 57 – Sustainability Data Appendix – Thriving People – Recruitment & Retention	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report , page 109–119 – Management Approach and Procedures – Thriving People Dexus website – Careers – Dexus benefits	Dexus offers several 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 , pages 20–25 – Sustainability Performance Pack – Thriving People Sustainability Report , page 57 – Sustainability Data Appendix – Thriving People – Retention Sustainability Report , page 109–119 – Management Approach and Procedures – Thriving People	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
GRI: Labour Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Sustainability Report , page 110-112 – Management Approach and Procedures – Thriving People – Employee engagement and performance	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Sustainability Report , page 58 – Sustainability Data Appendix – Thriving People – Training and development	
	404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report , pages 20-25 – Sustainability Performance Pack – Thriving People Sustainability Report , page 58 – Sustainability Data Appendix – Thriving People – Training and development Sustainability Report , pages 109-119 – Management Approach and Procedures – Thriving People	
	404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report , page 58 – Sustainability Data Appendix – Thriving People – Training and development	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Sustainability Report , pages 51 – Sustainability Data Appendix – Thriving People – Inclusion and diversity	
	405-2	Ratio of basic salary and remuneration of women to men	Sustainability Report , page 59 – Sustainability Data Appendix – Thriving People – Remuneration ratios	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Sustainability Report , page 55 – Sustainability Data Appendix – Thriving People – Employee relations matters	

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 22–26 – Key risks Sustainability Report , 6–7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , pages 109–119 – Management Approach and Procedures – Thriving People Sustainability Report , pages 119–140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	103-2	The management approach and its components	Annual Report , pages 6–9 – Chair and CEO review Annual Report , pages 22–26 – Key risks Sustainability Report , pages 116–117 – Management Approach and Procedures – Thriving People – Employee health and safety Sustainability Report , pages 124–125 – Management Approach and Procedures – Future Enabled Customers – Occupant health, safety, and wellbeing Sustainability Report , page 138 – Management Approach and Procedures – Future Enabled Customers and Strong Communities: Contractor health and safety	
	103-3	Evaluation of the Management Approach	Annual Report , pages 6–9 – Chair and CEO review Annual Report , pages 52–55 – Performance – People and capabilities Sustainability Report , page 55 – Sustainability Data Appendix – Thriving People – Work, Health, and Safety	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Sustainability Report , pages 109–119 – Management Approach and Procedures – Thriving People Sustainability Report , pages 119–140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report , pages 109–119 – Management Approach and Procedures – Thriving People Sustainability Report , pages 119–140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	403-3	Occupational health services	Sustainability Report , pages 109–119 – Management Approach and Procedures – Thriving People	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
	403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report , pages 109-119 – Management Approach and Procedures – Thriving People	
	403-5	Worker training on occupational health and safety	Sustainability Report , pages 109-119 – Management Approach and Procedures – Thriving People	
	403-6	Promotion of worker health	Sustainability Report , pages 109-119 – Management Approach and Procedures – Thriving People Sustainability Report , pages 119-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report , pages 119-140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	403-8	Workers covered by an occupational health and safety management system	Sustainability Report , page 50-59 – Sustainability Data Appendix – Thriving People Sustainability Report , pages 109-119 – Management Approach and Procedures – Thriving People	
	403-9	Work-related injuries	Sustainability Report , page 50-59 – Sustainability Data Appendix – Thriving People	
	403-10	Work-related ill health	Sustainability Report , page 50-59 – Sustainability Data Appendix – 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 , pages 124-125 – Management Approach and Procedures – Future Enabled Customers and Strong Communities – Occupant health, safety, and wellbeing Annual Report , page 52 – Performance – People and capabilities: Safety audit score across Dexus workspaces	

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 22–26 – Key risks Sustainability Report , pages 6–7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , pages 141–155 – Management Approach and Procedures – Enriched Environment	
	103-2	The management approach and its components	Sustainability Report , pages 34–43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , pages 141–155 – Management Approach and Procedures – Enriched Environment	
	103-3	Evaluation of the management approach	Sustainability Report , pages 34–43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , pages 63–83 – Sustainability Data Appendix – Enriched Environment Sustainability Report , page 153–155 – Management Approach and Procedures – Enriched Environment– Evaluation and continuous improvement	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report , pages 34–43 – Sustainability Performance Pack – Enriched Environment Towards Climate Resilience , pages 19–21 – Climate-related issues	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
Managing the use or resources efficiently				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Annual Report , pages 22–26 – Key risks Sustainability Report pages 6–7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , pages 141–155 – Management Approach and Procedures – Enriched Environment	
	103-2	The management approach and its components	Sustainability Report , pages 141–155 – Management Approach and Procedures – Enriched Environment	
	103-3	Evaluation of the management approach	Sustainability Report , pages 34–43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , pages 63–83 – Sustainability Data Appendix – Enriched Environment Sustainability Report , page 153–155 – Management Approach and Procedures – Enriched Environment – Evaluation and continuous improvement	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Sustainability Report , page 65 – Sustainability Data Appendix – Enriched Environment – Group managed portfolio – Environmental inventory	
	302-2	Energy consumption outside of the organisation		Information on upstream energy consumption outside Dexu's organisation boundary relates to energy consumed by suppliers providing products and services to Dexu. Dexu has engaged with key suppliers to request information about their energy consumption, but only a limited number of suppliers' energy data is available. Downstream energy consumption relates to energy consumption by tenants occupying Dexu buildings. Dexu 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 , page 66 – Sustainability Data Appendix – Enriched Environment – Group managed portfolio – Consumption/ emissions on an intensity basis	
	302-4	Reduction of energy consumption	Sustainability Report , pages 34–43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , pages 63–83 – Sustainability Data Appendix – Enriched Environment Sustainability Report , page 141–155 – Management Approach and Procedures – Enriched Environment	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
GRI 302: Energy 2016 cont.	302-5	Reductions in energy requirements of products and services	Sustainability Report , pages 40-41 – Sustainability Performance Pack – Enriched Environment: Green Star and NABERS Sustainability Report , page 141-155 – Management Approach and Procedures – Enriched Environment	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Sustainability Report , page 144 – Management Approach and Procedures – Enriched Environment – Water use	
	303-2	Management of water discharge-related impacts	Sustainability Report , page 144 – Management Approach and Procedures – Enriched Environment – Water use	
	303-3	Water withdrawal	Sustainability Report , page 71 – Sustainability Data Appendix – Enriched Environment – Water consumption by source Sustainability Report page 144 – Management Approach and Procedures – Enriched Environment – Water use	
	303-4	Water discharge	Sustainability Report , page 144 – Management Approach and Procedures – Enriched Environment – Water use	
	303-5	Water consumption	Sustainability Report , page 71 – Sustainability Data Appendix – Enriched Environment – Water consumption by source	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Sustainability Report , page 145 – Management Approach and Procedures – Enriched Environment – Waste management	
	306-2	Management of significant waste-related impacts	Sustainability Report , page 145 – Management Approach and Procedures – Enriched Environment – Waste management	
	306-3	Waste generated	Sustainability Report , page 72 – Sustainability Data Appendix – Enriched Environment – FY22 Operational waste by stream	
	306-4	Waste diverted from disposal	Sustainability Report , page 72 – Sustainability Data Appendix – Enriched Environment – FY22 Operational waste by stream Sustainability Report , page 145 – Management Approach and Procedures – Enriched Environment – Waste management	
	306-5	Waste directed to disposal	Sustainability Report , page 72 – Sustainability Data Appendix – Enriched Environment – FY22 Operational waste by stream	

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 22-26 – Key risks Sustainability Report , pages 6-7 – Sustainability Performance Pack – Our approach to materiality Sustainability Report , page 141-155 – Management Approach and Procedures – Enriched Environment	
	103-2	The management approach and its components	Sustainability Report , pages 34-43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , page 141-155 – Management Approach and Procedures – Enriched Environment	
	103-3	Evaluation of the management approach	Sustainability Report , pages 34-43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , pages 63-83 – Sustainability Data Appendix – Enriched Environment Sustainability Report , page 153-155 – Management Approach and Procedures – Enriched Environment – Evaluation and continuous improvement	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	Sustainability Report page 73 – Sustainability Data Appendix – Enriched Environment – Greenhouse gas emissions by gas type	
	305-2	Energy indirect (Scope 2) GHG Emissions	Sustainability Report page 73 – Sustainability Data Appendix – Enriched Environment – Greenhouse gas emissions by gas type	
	305-3	Other indirect (Scope 3) GHG Emissions	Sustainability Report page 73 – Sustainability Data Appendix – Enriched Environment – Greenhouse gas emissions by gas type	
	305-4	GHG Emissions intensity	Sustainability Report , pages 76-83 – Sustainability Data Appendix – Enriched Environment	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
GRI 305: Emissions 2016 cont.	305-5	Reduction of GHG emissions	Sustainability Report , pages 34-43 – Sustainability Performance Pack – Enriched Environment Sustainability Report , pages 63-83 – Sustainability Data Appendix – Enriched Environment Sustainability Report , page 141-155 – Management Approach and Procedures – Enriched Environment	
	305-6	Emissions of ozone-depleting substances (ODS)	Sustainability Report , page 73 – Sustainability Data Appendix – Enriched Environment – Emissions of ozone depleting substances	
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Sustainability Report , page 73 – Sustainability Data Appendix – Enriched Environment – Other significant air emissions	

GRI Standard	Number	Disclosure	Reference	Remarks/Omissions
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 22–26 – Key risks Sustainability Report , pages 6–7 – Sustainability Performance Pack – Our approach to materiality	
	103-2	The management approach and its components	Sustainability Report , pages 26–33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities Sustainability Report , pages 120–140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
	103-3	Evaluation of the management approach	Sustainability Report , pages 26–33 – Sustainability Performance Pack – Future Enabled Customers and Strong Communities Sustainability Report , page 60–62 – Sustainability Data Appendix – Future Enabled Customers and Strong Communities Sustainability Report , pages 120–140 – Management Approach and Procedures – Future Enabled Customers and Strong Communities	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report , page 55 – Sustainability Data Appendix – Thriving People: Work, health, and safety	







Assurance Statement



To: The Board of Directors of Dexus Funds Management Limited

Independent assurance report on the preparation of selected Subject Matter contained within their 2022 Sustainability Report and 2022 Annual Report in accordance with the Assurance Criteria

Scope

In accordance with the terms of engagement letter dated 20 January 2022, we were engaged by Dexus Funds Management Limited (**Dexus**) to perform an independent limited assurance engagement in respect of the preparation of selected Subject Matter reported within their 2022 Sustainability Report and 2022 Annual Report in accordance with the Assurance Criteria for the year ended 30 June 2022. The selected Subject Matter, which is presented at www.dexus.com/2022-sustainability-report and www.dexus.com/2022-annual-report and is as follows:

- Total net energy consumption **578,416 GJ**
- Total Scope 1, 2 and 3 location-based greenhouse gas (GHG) emissions **128,866 tCO₂-e**
- Total Scope 1, 2 and 3 market-based GHG emissions **24,498 tCO₂-e**
- Total Scope 1, 2 and 3 net GHG emissions **0 tCO₂-e**
- Total water usage **1,051,071 kL**
- Total waste to landfill and recycling **7,679 t**
- Percentage of female employees (FTE) **51%**
- Percentage of females in senior management (headcount) **36%**
- Percentage of female Non-Executive Directors **43%**
- Absentee rate **3.1**
- Lost time injury frequency rate **0**
- Fatalities **0**
- Site-based Contractors Lost time injury frequency rate (LTIFR) **2.26**
- Site-based Contractors Fatalities **0**

The Assurance Criteria against which we assessed the Subject Matter was prepared by Dexus and is titled 2022 Reporting Criteria presented at: www.dexus.com/2022-sustainability-report and included as Appendix 1 to our Assurance Report.

Dexus's responsibilities

Dexus is responsible for the Subject Matter and for the preparation of the Subject Matter in accordance with the Criteria.

Our Independence and Quality control

We have complied with relevant ethical requirements related to assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo NSW 2000, GPO BOX 2650 Sydney NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

In accordance with 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* the firm 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.

Our responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained.

Our engagement has been conducted in accordance with the Australian Standard on Assurance Engagements (ASAE 3000) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform this engagement to obtain limited assurance about whether anything has come to our attention to indicate that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria, for the Period. The procedures we performed were based on our professional judgement and included:

- 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.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Use of report

This report was prepared for the Board of Directors of Dexus Funds Management Limited. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Board of Directors of Dexus Funds Management Limited, or for any purpose other than that for which it was prepared.

Inherent limitations

Because of the inherent limitations of any assurance engagements due to the selective testing of the information examined, it is possible that fraud, error or non-compliance may occur and not be detected. A limited assurance engagement is not designed to detect all instances of non-compliance of the Subject Matter with the Criteria, as



is limited primarily to making enquiries, of the management, and applying analytical procedures. The limited assurance conclusion expressed in this report has been formed on the above basis.

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 2022 Integrated Online Reporting Suite presented at: www.dexus.com/2022-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.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria for the period 1 July 2021 to 30 June 2022.

PricewaterhouseCoopers

PricewaterhouseCoopers

C. Mara

Caroline Mara
Partner

Sydney
16 August 2022

2022 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 2022 Dexus Sustainability Performance Pack set out below.

Section of Sustainability Reporting	Matter subject to assurance
Environment Group environmental summary	- 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 - Work statistics - Engagement and leave - Work health & safety, and discrimination	- HR Indicators - Percentage of female employees - Percentage of females in senior management - Percentage of female non-executive directors - Absentee rate (days per employee) - Safety indicators - Lost time injury frequency rate - Fatalities - Site-based contractors Lost time injury frequency rate - Site-based contractor fatalities

Dexus believes that underlying data presented for other areas of the 2022 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 2021 to 30 June 2022
Reporting boundary	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, 2022. The operations covered under the scope of reporting are consistent with Dexus's operation as a property business, being: Property investment including directly owned assets and assets managed on behalf of third-party investors. Property investment comprises: - Office assets

- b. Industrial assets
- c. Retail assets
- d. Healthcare assets
- e. Convenience Retail assets
- f. Hotel assets



2. **Occupied premises** being Dexu 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:

$$\begin{aligned} \text{Total Scope 1, 2, and 3 location based GHG emissions} \\ = \text{Scope 1 GHG Emissions} + \text{Scope 2 location based GHG Emissions} \\ + \text{Scope 3 location based GHG Emissions} \end{aligned}$$

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:

$$\begin{aligned} \text{Total 1, 2, and 3 market based GHG emissions} \\ = \text{Scope 1 GHG Emissions} + \text{Scope 2 market based GHG Emissions} \\ + \text{Scope 3 market based GHG Emissions} \end{aligned}$$

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 Dexu'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 Dexu'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 Dexu operational control. Leakage is measured via equipment maintenance records of refrigerant top-ups or by applying an annual leakage rate as defined with the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2021*, with global warming potentials relative to CO₂ aligned with the IPCC Fifth Assessment Report (2014).

Dexu does not have company fleet vehicles and no direct vehicle-related emissions have been reported.

Scope 1 emissions have been calculated according to the *National Greenhouse and Energy Reporting (Measurement) Determination, July 2021*.

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 2021*.

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,





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 <i>National Greenhouse and Energy Reporting (Measurement) Determination, July 2021</i>.
--------------------------------------	---

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 <i>The Greenhouse Gas Protocol: Scope 2 Guidance</i>. 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 <i>electricity attribute certificates</i> 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 Dexu are receiving a proportion of total electricity in line with the RPP. Dexu 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 2021*.

Scope 3 'location-based' grid factors have been sourced from the *National Greenhouse Accounts (NGA) Factors, August 2021*.

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

Emissions accounting for 'accredited power stations' – Dexu operates rooftop solar photovoltaic (PV) systems that generate electricity from solar energy for consumption on-site by Dexu, its customers or exported to the grid.

In some properties, the solar PV system has been registered as an Accredited Power Station as defined in Australia's *Renewable Energy (Electricity) Act 2000* and is eligible to create LGCs based on eligible electricity generated.

For the LGCs created, Dexu acknowledges that, as the energy attribute certificate, the LGCs created carry the applicable renewable energy benefit and has the option to retire or transfer these LGCs.

To avoid double-counting of renewable benefits (i.e. claiming solar and retiring LGCs), Dexu accounts for all electricity generated from accredited power stations as being 100% exported to the electricity grid and is substituted by an equivalent amount of 'grid sourced' electricity as an incoming supply to the property. The substituted electricity is accounted for using the market-based emissions methodology above, and in order to claim any renewable benefit, Dexu surrenders the equivalent LGCs with the Clean Energy Regulator.

Scope 3 location based GHG emissions	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. Data sources: - 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 Dexus'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 Dexus's methodology if billing data is unavailable at the time of reporting.
- Data for corporate operations has been compiled in accordance with the *Climate Active Carbon Neutral Standard for Organisations, July 2021*.

Emissions factors and calculations:

- Scope 3 emissions for energy and waste to landfill have been calculated according to the *National Greenhouse Accounts (NGA) Factors, August 2021*.
- Scope 3 emissions for recycled waste have been calculated according to *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*.
- Scope 3 emissions for water/wastewater have been calculated using factors derived from the *Climate Active Inventory (version 7.1) circulated on 13 April 2022*, referencing the regional factor for the emission source 'Water supply and wastewater treatment'.
- Emissions for corporate sources included in the boundary have been calculated according to the *Climate Active Inventory (version 7.1) circulated on 13 April 2022*. Corporate sources included in the boundary are:
 - o Telecommunications and use of Data Centres
 - o IT Equipment and Office Equipment hire
 - o Paper use including Carbon Neutral Paper
 - o Stationery
 - o Employee Commuting and Working From Home
 - o Business travel, including flights, taxis, personal car use, hire cars and parking
 - o Printing, Couriers
 - o Hotel Accommodation
 - o Data Centre
 - o Bus shuttle
 - o Food and beverage

Scope 3 market based GHG emissions 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. 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>

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 primary energy sources, namely natural gas, diesel and electricity purchased by Dexus 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 2021*.

Energy consumption has been based on quantities invoiced or metered by suppliers or Dexus. Estimates are used when billing data is unavailable and these are based on Dexus'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 Dexus 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 Dexus's methodology if meter data is unavailable at the time of reporting.
 - Dexus measures and reports on total energy produced, separated into the following end-use consumption outcomes:
 - Electricity consumed on site by Dexus
 - Electricity consumed on site by Customers
 - Electricity exported to the grid
 - Dexus delineates between LGC-producing and non-LGC-producing systems as follows:
 - a. **Accredited Power Stations:** Larger solar PV systems that are registered as an Accredited Power Station as defined in Australia's Renewable Energy (Electricity) Act 2000 are eligible to create LGCs based on eligible electricity generated
 - i. Dexus applies a 'grid-first' approach and accounts for all electricity generated from accredited power stations as being 100% exported to the electricity grid and is substituted by an equivalent amount of 'grid sourced' electricity as an incoming supply to the property.
 - b. **Small scale rooftop solar systems:** Smaller solar PV systems that are not registered.
 - i. Dexus applies a 'site-first' approach' whereby solar electricity is metered and recorded as 'Solar Electricity'. Where an embedded network is operates at the property, solar benefit attributed to Dexus first, then its customers and then the grid on an annual net-basis
- Dexus measures and reports on total energy produced, separated into the following end-use consumption outcomes:
 - Electricity consumed on site by Dexus
 - Electricity consumed on site by Customers
 - Electricity exported to the grid

Solar energy end-use	Accredited power station	Small scale rooftop solar system
Electricity consumed on site by Dexus	0%	Variable based on metering, with benefit attributed first to Dexus on an annual net basis
Electricity consumed on site by Customers (exported offsite but not to a network)	0%	Variable based on metering, with remaining on-site benefit attributed to customers on an annual net basis
Electricity exported off-site to a network	100% & matched by an equivalent amount of grid-electricity	Variable – remaining excess production exported offsite as measured by property gate electricity meters

- **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 Dexus'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 2021.



Total net energy consumed	Total net energy consumed is defined as the energy consumed minus the energy produced within the reporting boundary. Net energy consumed excludes energy that is produced and exported 'offsite' to a customer or a network.
Water consumption	Water consumption is based on quantities invoiced or metered by suppliers. Water consumption comprises: – Water purchased by Dexus from local water authorities and suppliers for assets for which Dexus has operational control – Recycled water from onsite greywater and blackwater treatment systems Water consumption excludes water use from onsite rainwater harvesting.
Total waste	Total waste is based on volume or weight quantities invoiced by waste contractors. Total waste comprises: – 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. Total waste excludes waste to landfill and recycling for industrial assets as Dexus does not have operational control over waste collection. 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 within the reporting boundary.
Data confidence and estimation	Where primary data such as utility invoices have not been received, estimates are applied using the following prioritised data methodology: 1. 30-minute interval electricity, natural gas and water metering data supplied by MP/MDA Metering Dynamics 2. Estimated data using an estimate that accounts for seasonal variances derived by: a. Derived from an actual figure for the same period in the prior year, adjusted for the length of the gap b. Derived from an actual figure for the prior month, adjusted for the length of the gap c. Interpolation between two adjacent actual readings, adjusted for the length of the gap 3. 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 2021 to 30 June 2022
Reporting boundary	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.



	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.
Number of workers	Number of workers - Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2022. 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.
Number of full-time equivalent employees	Number of full-time equivalent employees (FTEs) - Is defined as the number of workers who were employed by Dexus as recorded at 30 June 2022. 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.
Number of hours worked	Number of hours worked in the period - Refers to the total scheduled number of hours of all Dexus employees as recorded at 30 June 2022. 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.
Percentage of female employees	The percentage of female full time equivalent workers employed is calculated as follows: $\text{Female employees (\%)} = \frac{\text{number of female full time equivalent workers}}{\text{total number of full time equivalent workers}}$ Where: Number of full-time equivalent workers – as defined above Number of female full time equivalent workers – A subset of the number of full time equivalent workers defined above who identify themselves as female
Percentage of females in senior management	'Senior Management team' includes <i>executive management and senior management positions</i> within the Dexus workforce. Where: 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 The percentage of females in senior management is calculated as follows: $\text{Females in senior management (\%)} = \frac{\text{number of female senior managers}}{\text{total number of senior managers}}$ Where: Number of senior managers – A subset of the total number of workers with a 'Senior Management team' corporate title as defined above Number of female workers – A subset of the number of senior managers defined above who identify themselves as female
Percentage of female non-executive directors	The percentage of female non-executive directors is calculated as follows: $\text{Female non executive directors (\%)} = \frac{\text{number of female non executive directors}}{\text{total number of non executive directors}}$ Where:



	Number of non-executive directors – The total number of non-executive directors of Dexus Holdings Limited as recorded at 30 June 2022 Number of female non-executive directors – A subset of the number of non-executive directors defined above who identify themselves as female
Absentee Rate	Absentee Rate (AR) – the number of sick leave and carers leave days per full time equivalent workers employed is calculated as follows: $AR = \frac{\text{number of Sick and Carers leave days}}{\text{number of full time equivalent employees}}$ Where: Number of full-time equivalent employees – as defined above
Work health & safety definitions	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. 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 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. 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 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. 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 Fatalities – Fatalities that occur due to an injury or disease occurrence arising from the work situation or activity
Lost Time Injury Frequency Rate (LTIFR)	Lost Time Injury Frequency Rate (LTIFR) - the number of occurrences of injury or disease for each one million hours worked is calculated as follows: $LTIFR = \frac{\text{number of lost time injuries/diseases}}{\text{number of hours worked}} \times 1,000,000$ Where: Number of lost time injuries/diseases – the number of lost-time injuries/diseases recorded during the reporting period as defined above Number of hours worked in the period – as defined above
Fatalities Rate	Fatalities Rate (FR) - the rate of fatalities due to work-related injury is calculated as follows: $FR = \frac{\text{number of fatalities}}{\text{number of hours worked}} \times 1,000,000$
Site-based Contractors Lost Time Injury Frequency Rate	Site-Based Contractors Lost Time Injury Frequency Rate– calculated using the same approach as for Lost Time Injury Frequency Rate and applied across site-based contractors. Using terminology within the <i>GRI 403: Occupational Health and Safety 2018</i> reporting standard, site-based contractors are characterised by Dexus having control of the workplace, but not having control over the individual's work.
Site-based Contractors Fatalities Rate	Site-Based Contractors Fatalities Rate– calculated using the same approach as for Fatalities Rate and applied across site-based contractors. Using terminology within the <i>GRI 403: Occupational Health and Safety 2018</i> reporting standard, site-based contractors are characterised by Dexus having control of the workplace, but not having control over the individual's work.

12 August 2022

Directory

Dexus Property Trust

ARSN 648 526 470

Dexus Operations Trust

ARSN 110 521 223

Responsible Entity

Dexus Funds Management Limited

ABN 24 060 920 783

AFSL 238163

Directors of the Responsible Entity

W Richard Sheppard, Chair

Patrick Allaway

Penny Bingham-Hall

Tonianne Dwyer

Mark H Ford

Warwick Negus

The Hon. Nicola Roxon

Darren J Steinberg, CEO

Secretaries of the Responsible Entity

Brett Cameron

Scott Mahony

Registered office of the Responsible Entity

Level 25, Australia Square

264 George Street

Sydney NSW 2000

PO Box R1822

Royal Exchange

Sydney NSW 1225

Phone: +61 2 9017 1100

Fax: +61 2 9017 1101

Email: ir@dexus.com

Website: www.dexus.com

Auditors

PricewaterhouseCoopers

Chartered Accountants

One International Towers Sydney

Watermans Quay

Barangaroo NSW 2000

Investor Enquiries

Registry Infoline: +61 1800 819 675

Investor Relations: +61 2 9017 1330

Email: dexus@linkmarketservices.com.au

www.dexus.com

Security Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Locked Bag A14

Sydney South NSW 1235

Website: linkmarketservices.com.au

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

Social media

Dexus engages with its followers
via LinkedIn



