

# Sustainability Approach and Procedures

dexus





# Sustainability Approach and Procedures

**The Sustainability Approach and Procedures explains how Dexus manages the economic, environmental and social impacts related to its business.**

**It aligns with the Global Reporting Initiative (GRI) Standards and the SASB Real Estate Standards, which prescribe 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 2023 Annual Reporting Suite. It should be read in conjunction with the 2023 Annual Report, 2023 Sustainability Data Pack, and the 2023 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 (refer to Dexus 2023 Annual Report, Materiality assessment)
- Alignment of sustainability reporting content with the GRI Standards and the SASB Real Estate 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.

# 1.0 Corporate governance

**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.**

## 1.1 Overview

Dexus believes that good corporate governance supports:

- A culture of ethical behaviour resulting in an organisation that acts with integrity.
- Improved decision-making processes
- Better controls and risk management
- Improved relationships with stakeholders
- Accountability and transparency
- Creation of sustainable value for investors.

Dexus's Corporate Governance Framework applies to the Dexus group.

Dexus's structure is well established and ensures we always operate in the best interests of our investors. We promote transparency, ongoing dialogue, and compliance in order to avoid conflicts of interest and have embedded a governance framework that enhances our performance.

## 1.2 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 on the following page.

### Corporate Governance framework

#### Dexus Board (Board)

##### Board Committees

Audit Committee | Nominations Committee | People & Remuneration Committee | Risk Committee | Environmental, Social & Governance Committee

#### Responsible Entity Boards for unlisted Funds | Co-owner Committees for Joint Ventures

##### Sub-committees

Advisory/Unitholder Committees | Investment Committees

#### 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 and compliance initiatives, linking these to business operations and corporate governance.

#### Operational oversight

Risk team | Compliance | Governance

#### Management Frameworks

Risk Management Framework | Compliance Management Framework | Governance Framework

#### 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 the Dexus group.

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](http://www.dexus.com/corporategovernance)

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

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

The Dexus board has five Board Committees to assist in the 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 compliance and risk initiatives. The Committee is accountable to the GMC and comprises of the Chief Operating Officer (Chair), Chief Financial Officer, and General Counsel. 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 and funds management
Investment Committees	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.

### 1.3 Governance for unlisted Funds

For the unlisted Funds within the group, dedicated Boards have been established that are comprised wholly or predominantly of non-executive directors and independent of the Dexus Board. In addition, Advisory /Unitholder Committees have been established comprising Unitholder appointed representatives.

The appointment of external directors to those Boards requires the endorsement of the relevant Funds' Advisory/Unitholder Committee.

All Dexus Boards are subject to Terms of Reference and meet on a regular basis. Agendas and packs are issued prior to Board meetings and minutes of meetings are recorded.

Board performance is subject to an annual review which involves non-executive directors and Executive directors completing surveys and participating in interviews. For DXFM and DXAM the process is facilitated by an independent external expert every third year.

Responsible Entity Boards are responsible for reviewing and approving recommendations in respect of each of the Fund's major decisions, including acquisitions, divestments, developments, major capital expenditure and the approval of the annual Investment Plan.

#### Investment Committees

Dexus has established Investment Committees to consider and approve (or endorse as appropriate) acquisition and divestment proposals, developments, major capital expenditure and certain leases relating to Dexus and each of its Funds and third-party capital partners. The authority delegated to the Investment Committee by the various Boards and third-party capital partners may vary depending on the risk appetite of the relevant Board and third-party capital partner.

The relevant Fund Manager must vote in favour of a transaction referred to an Investment Committee that impacts the Fund (or third-party capital partnership) for the transaction to be approved.

### Advisory/Unitholder Committees

Advisory/Unitholder Committees have been established to assist in the oversight of governance practices. Membership consists of investor representatives and are governed by Charters that may only be amended by an ordinary resolution of investors of the Fund.

Advisory/Unitholder Committees are responsible for making recommendations to the Responsible Entity in accordance with their Terms of Reference which may address-

- conflicts of interest involving transactions and other dealings between related parties
- approval or rejection of proposed new Investors of the Fund
- a proposed candidate for a replacement Fund Manager
- the endorsement of the appointment of external directors to the Board of the Responsible Entity
- any proposal to materially change the Fund's Investment Policy
- the Fund's investment strategy and material changes to the strategy.

Resolutions of Advisory/Unitholder Committees are not binding on the Responsible Entity, however the Responsible Entity must call an Investor meeting if requested to do so by the Advisory/Unitholder Committee as outlined in the relevant Terms of Reference or Constitution.

### 1.4 Co-owner Committees

Co-owner (or Joint Venture) Committees have been established for Dexus's third-party capital partner arrangements. The Committees' Terms of Reference are established via agreement between the parties. Membership consists of owner representatives.

Approval of significant transactions such as asset acquisitions, disposals, developments, significant leases and capex, generally requires approval of the co-owners (in accordance with the co-owner agreements).

Meetings are generally convened on a quarterly basis. An agenda is issued, and minutes of the meetings are recorded.

### 1.5 Operational oversight Risk team

The dedicated Risk team, led by the Head of Risk, is responsible for the development, implementation and oversight of Dexus's risk management, insurance and WHS&E programs.

The Risk team enables, empowers and supports the creation of safe, resilient spaces where people thrive and ensures Dexus's objectives are achieved within the group's appetite for risk.

Dexus's risk management process is an integral part of management and decision-making, and is integrated into the structure, operations and processes of the organisation. Dexus's process for managing risk aligns to ISO31000:2018 and involves the systematic application of policies, procedures and practices including but not limited to:

- Communication and consultation with appropriate external and internal stakeholders
- Defining the scope of risk management activities, understanding the external and internal context in which Dexus operates and defining the risk criteria relative to objectives.
- Conducting risk assessments performed to identify, analyse and evaluate risks.
- Planning and implementing risk treatment, assessing the effectiveness of controls and determination 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 the Fund Boards, Corporate Executive Committee, Group Management Committee, Dexus Board Audit Committee and Dexus Board Risk Committee
- Providing induction and training to support all employees' awareness of and ability to execute their risk management responsibilities.

## Compliance team

Dexus has established a dedicated Compliance team reporting to the Head of Compliance.

The Compliance team seeks to ensure Dexus's approach to compliance is shaped by the leadership team applying core values, ethical and community standards and strives for continuous improvement through open communication in relation to governance and compliance practices. The Compliance team encourages awareness, demonstrates commitment and fosters a strong compliance culture.

Dexus has developed and maintains a Compliance Management Framework that complies with the guidelines of the International Standard for Compliance Management Systems – ISO 196001. The framework is based on the principles of good governance, proportionality, transparency and sustainability.

Functions of the Compliance team include:

- Supporting the identification and ongoing review of applicable compliance sources and obligations
- Assessment of compliance risks
- Review and analysis of exceptions
- Drafting and agreeing compliance policies and procedures
- Provision of induction and training to all Dexus employees on relevant compliance matters in accordance with an annual Compliance Training Plan
- Conducting monitoring and review procedures to avert or detect incidents of non-compliance in accordance with an annual Compliance Monitoring Plan
- Oversight of financial crime (AML/CTF) compliance, privacy, financial services complaints, compliance incident framework and conflict management
- Reporting to management, Boards and third-party capital partners on Compliance Incidents and compliance initiatives.

## Governance team

Dexus has established a dedicated Governance team reporting to the Head of Governance.

The Governance team is responsible for overseeing governance and company/committee secretarial arrangements across all Boards and Board Committees and works closely with the Funds Management team in supporting our third-party capital partner arrangements.

The team is responsible for:

- Best practice Corporate Governance for the group
- Company Secretarial support and corporate governance advice
- Preparing agendas, collating and distributing packs and recording minutes of meetings of the Boards, Board Committees, Co-owner Committees and Joint Venture Committees
- Ensuring the delivery of Dexus's Internal Audit Program
- Managing investor due diligence questionnaires and assisting in the verification of key documents
- Undertaking monitoring of Fund and Co-owner agreements and socially responsible leasing activities.

### 1.6 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.

Activities within the Compliance Management Framework include:

- Legislative and regulatory change
- Employee training
- Compliance monitoring and reporting
- Handling exceptions and incidents of non-compliance
- Handling investor complaints
- Communication
- Continuous improvement

## Record keeping

We have a Records Management Policy which provides guidance in relation to the storage and retention of records for Dexus. Records must be created and maintained to satisfy business and regulatory requirements as well as industry operating standards. The policy covers all types of records including paper and electronic media.

## Delegations of authority

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

## Conflicts of interest

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

- Directors' Code of Conduct
- Employee Code of Conduct (incorporating Gifts, benefits & entertainment)
- Conflicts of Interest and Related Party Transactions Policy
- 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 and other business conflicts
- Allocating property transactions amongst clients or third-party capital partners
- Tenant (customer) conflicts
- Transfer of assets between schemes or clients
- Personal conflicts

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

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

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

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

## Anti-bribery and corruption

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

The Fraud, Corruption and Bribery (Prevention and Awareness) Policy outlines expectations for employee conduct relating to lobbying, meetings with law makers and receiving gifts and benefits. Dexus does not make political donations or provide gifts to politicians or public servants. As per the Dexus Political Donations Policy, Dexus employees and Directors are prohibited from using Dexus funds for political contributions. Where we engage with government we do so in an ethical and transparent manner. Section 5.4 Stakeholder Engagement provides additional detail on our approach to engaging with government.

## Transparency and continuous disclosure

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

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

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

## 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.

## 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.



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 Dexus, 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

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 representatives from either the Governance team, the General Counsel, Dexus's statutory auditors, or Dexus's appointed internal auditors.



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.

## 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.

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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.

### **1.7. Work health and safety (WHS)**

We recognise our duty of care to our customers, employees, investors, agents, contractors, service providers and the wider community to ensure all Work Health, Safety and Wellbeing (WHS&W) risks arising from our business 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&W 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.

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&W management of contractors that complies with relevant Legislation, Codes of Practice, Standards and the DexuS WHS&W system.

### **1.8. 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

## 2.0 Customers and communities

**Supporting the success of our customers, the wellbeing of building occupants, the strength of our local communities and the capabilities of our suppliers.**

### 2.1 Overview

Dexus owns and manages a diverse property portfolio including office, industrial, retail and healthcare properties. 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 workplace and professional services: providing a seamless, efficient customer experience that maximises customer satisfaction with their workplace and with property management.
- Networking and customer connection: facilitating connections within customer communities through networking events, exclusive offers from retailers, and community partner 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.



## 2.2 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 sub-committee with responsibility for overall guidance of effective property management

#### Delivery functions

Customer | Project Delivery Group | Property Management | Sponsorship and Events | Marketing | Communications and Corporate Affairs | Sustainability | Risk | Compliance | Building Technology

#### Focus areas

Customer experience | Networking and customer connection | Health, Safety and Wellbeing | Environmental sustainability | Community partnership activations

#### Policy Framework

Work Health, Safety and Wellbeing Statement | Corporate Responsibility | Complaints Policy | Dexus Customer Promise

## 2.3 Management practices

### Our Customer Promise

Our aspiration is to be renowned for customer centricity and property. 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.

### Customer workplace and professional services

Dexus's product and service offering aims to provide a seamless, efficient customer experience that maximises customer satisfaction with their workplace 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 their 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

### Our approach to building technology

Dexus's approach to building technology seeks to digitally enable our buildings to maximise value for all stakeholders. 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 directs investment into scalable solutions.

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 has developed a Smart Building Blueprint for deployment across the portfolio which continues to evolve 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.

### Networking and customer connection

Every Dexus 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 community partner activations. We know that when individuals feel connected to others and to their workspace, 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 Dexus customers to each other, and provide them with the services and products that they need.

### 2.4 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.

## Maintaining safe buildings for customers, occupants and visitors

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.

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

Customer involvement is critical for ensuring a safe and productive workplace environment. Dexus 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 Dexus Work Health Safety & Liability Manual contains detailed instructions on hazard and incident reporting, including key steps to be taken by stakeholders for each type of hazard or incident.

Certain incidents must be escalated to Dexus senior management and to the relevant regulator depending on the nature of the incident, as specified in the manual. Dexus senior management provides a quarterly report to the Board Risk Committee with an update on WHSE performance including incidents and injuries experienced at Dexus assets (and Dexus 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.

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 Dexus's Environmental Management Manual (which will help set expectations for future procedures and investment related to indoor air quality)
- Establishing alerting protocols to forewarn customers of ambient air quality conditions as well as specify mitigating actions for facility teams to follow.

We actively manage property accessibility, indoor environment (internal temperature, humidity and air quality), acoustics, access to natural light, and overall performance to create comfortable indoor working environments that maximise health and productivity.

Dexus has also expanded the use of NABERS Indoor Environment (NABERS IE) ratings across the portfolio, to help benchmark indoor environmental quality and inform continued enhancement of how we ensure healthy buildings across the portfolio. Dexus is targeting a 5-star average NABERS IE rating for its office portfolio by 2025. At select developments, we elect to obtain WELL Certification to further enhance a property's health and wellbeing performance.

## Customer environmental sustainability

We actively manage the environmental performance of our properties and target continuous improvement to reduce energy consumption, water use, and carbon emissions, as well as provide optimal working environments. This assists our customers in meeting their own sustainability objectives and priorities by providing workplaces that are designed and operate to the highest sustainability standards. Customers directly benefit via reduced costs from resource consumption efficiencies and productivity improvements from healthier working environments.

We engage with customers on sustainability upgrades to their buildings and how they can achieve efficiencies in their tenancies. 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.

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.



## 2.5 Evaluation and continuous improvement

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

Customer experience				
Activities	Outputs	Customer outcomes	Customer benefit	Dexus benefit
<ul style="list-style-type: none"> <li>Customer Support Centre</li> <li>Project Delivery Group</li> <li>Security services</li> <li>Concierge services</li> <li>Mobility services</li> <li>Dexus Place</li> <li>Speculative suites</li> <li>National leasing team</li> </ul>	<ul style="list-style-type: none"> <li>Improved customer access to products/ services, including their workforce.</li> <li>Reduced customer business downtime</li> <li>Facilitate customer future needs, including expansion to new space.</li> <li>Improvements to customer workplace</li> <li>Improved navigation for guests and visitor experience</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction with workspace, overall property, and property management</li> <li>Reduced customer operating costs</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer likelihood to renew.</li> <li>Enhanced customer capabilities, productivity</li> <li>Strengthened customer capabilities and workforce engagement, enhancing customer productivity</li> </ul>	<ul style="list-style-type: none"> <li>Strong customer relationships</li> <li>Increased customer renewals</li> <li>Increased property occupancy (reduced vacancy), WALE, building valuations.</li> <li>Non-rent revenue streams</li> <li>Expand reach of Dexus platform to non-customers</li> </ul>
Networking and customer connection				
<ul style="list-style-type: none"> <li>Online building portal</li> <li>Events and activations</li> <li>On-site retail offerings, partnerships and promotions</li> </ul>	<ul style="list-style-type: none"> <li>Improved customer access to products/ services, including their workforce.</li> <li>Customer participation in events, activations, portal</li> <li>Increased exposure for retailer customers</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction with property</li> <li>Enhanced networks among customers and their workforces</li> <li>Enhanced customer workforce engagement, talent attraction and retention</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer likelihood to renew.</li> <li>Enhanced customer capabilities, productivity</li> <li>Strengthened customer capabilities and workforce engagement, enhancing customer productivity</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer renewals</li> <li>Increased property occupancy (reduced vacancy), WALE, building valuations.</li> <li>Non-rent revenue streams</li> </ul>
Health, safety and wellbeing				
<ul style="list-style-type: none"> <li>Health and wellbeing offering</li> <li>End-of-trip facilities</li> <li>Workplace indoor environmental quality</li> <li>Maintaining building safety</li> </ul>	<ul style="list-style-type: none"> <li>Improved customer access to products/ services, including their workforce.</li> <li>Customer workforce awareness of wellbeing information</li> <li>Increased participation in health and wellbeing activities and use of facilities provided for active transport.</li> <li>Customers have high quality indoor environments</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction with workplace, overall property, and property management</li> <li>Enhanced networks among customers and their workforces</li> <li>Enhanced customer workforce engagement, talent attraction and retention</li> <li>Enhanced occupant health and wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer likelihood to renew.</li> <li>Enhanced customer capabilities and workforce engagement, productivity</li> <li>Strengthened customer capabilities and workforce engagement, enhancing customer productivity</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer renewals</li> <li>Increased property occupancy (reduced vacancy), WALE, building valuations.</li> <li>Non-rent revenue streams</li> <li>Expand reach of Dexus platform to non-customers</li> <li>Sustain Premium grade office buildings</li> </ul>
Customer environmental sustainability				
<ul style="list-style-type: none"> <li>Resource efficiency</li> <li>Reducing fit-out waste</li> <li>Green leasing</li> </ul>	<ul style="list-style-type: none"> <li>5 Star average NABERS Indoor Environment by 2025</li> <li>WELL Certification for select developments.</li> <li>Reduced emissions from customer workplace</li> <li>Customer space uses less energy, water and generate less waste.</li> <li>Uptake of green leases</li> </ul>	<ul style="list-style-type: none"> <li>Measure and verify our operational efforts to ensure healthy indoor environments.</li> <li>Verify the holistic health and wellbeing performance of new buildings.</li> <li>Reduced customer operating cost</li> <li>Enhanced customer workforce engagement, talent attraction and retention</li> <li>Facilitate customers' own environmental objectives</li> </ul>	<ul style="list-style-type: none"> <li>Increased customer likelihood to renew.</li> <li>Strengthened customer capabilities and workforce engagement, enhancing customer productivity</li> </ul>	<ul style="list-style-type: none"> <li>Increased property occupancy (reduced vacancy), WALE, building valuations.</li> <li>Non-rent revenue streams</li> <li>Expand reach of Dexus platform to non-customers</li> <li>NABERS and Green Star Performance ratings</li> </ul>

## 3.0 Strong Communities

**We interact with the broader community where we operate.**

**Our most material community-related issues are health, safety and security; and economic impact on local communities.**

### 3.1 Overview

We 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 Nation peoples and reconciliation in Australia through creating opportunities for career development and economic participation for First Nations peoples in the property industry and enabling Dexus 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 Black Dog Institute, as well as activities with community partners in the communities in which we operate.

### 3.2 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.

Strong communities' management framework	
<b>Dexus Board (Board)</b>	
Oversight and approval of targets and general strategies for customer experience and community contribution	
<b>Board ESG Committee</b>	
Oversight of the implementation and management of sustainability/ESG practices and initiatives throughout Dexus	
<b>Group Management Committee (GMC)</b>	
Ultimate responsibility for alignment of customer experience and community contribution activities with Dexus's strategy	
<b>Corporate Executive Committee (CEC)</b>	
Management sub-committee overseeing the integration of social impact initiatives into the Dexus Sustainability Approach	
<b>Social Impact Working Group (SIWG)</b>	<b>Reconciliation Action Plan Working Group (RAPWG)</b>
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
<b>Delivery functions</b>	
Customer   Sustainability   Office, Industrial and Healthcare Property Management   Retail Operations and Development Sponsorship and Events   Marketing   Communications and Corporate Affairs	
<b>Focus areas</b>	
Community investment through corporate philanthropy   Activations and partnerships   Employee volunteering   Reconciliation	
<b>Policy framework</b>	
Social Impact Strategic Framework   Dexus Community Guidelines   Dexus 'Reflect' Reconciliation Action Plan   Modern Slavery Statement and related policies	

### 3.3 Management practices

#### Social Impact Strategic Framework

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.

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.

Dexus's capacity to create value is influenced by the strength of its relationships with the communities in which it operates. During FY23, 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



## 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

## Community partnerships that drive sustained value

Dexus's two major community partners, 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:

**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

## Community investment through corporate philanthropy

### 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.

### In-kind support, 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

### 3.4 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
Community investment through corporate philanthropy	<ul style="list-style-type: none"> <li>Financial value of cash donations to charitable organisations and community partners</li> </ul>	<ul style="list-style-type: none"> <li>Direct support for community issues</li> <li>Enhanced reputation within the communities in which we operate</li> </ul>
Activations and partnerships	<ul style="list-style-type: none"> <li>Financial value of space provided for use by charitable organisations and community partners.</li> <li>Financial value of use of awareness-raising tools such as online portals and lift screens for our community partners</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced connections between our customers and local communities</li> <li>Support for community issues by providing access to customers.</li> <li>Partnerships that drive meaningful value and create impact</li> </ul>
Employee volunteering	<ul style="list-style-type: none"> <li>Total community volunteering hours and percentage participation of all Dexus employees</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced employee engagement and wellbeing</li> <li>Enhanced connections between our employees and community organisations and partners</li> </ul>

## 4.0 Supply chain

**A strong network of supply chain partners who support delivery of our services to customers.**

### 4.1 Overview

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 partners with its suppliers to:

- 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, and addressing modern slavery, 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

### 4.2 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.

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.

Our Sustainability Procurement Procedure and Supplier Code of Conduct 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 below. Refer to our website at [www.dexus.com](http://www.dexus.com) for publicly available policies.

In addition to this procedure 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.

The table below outlines our governance structure and approach to supply chain management.

<b>Supply chain management framework</b>	
<b>Dexus Board (Board)</b>	
Responsibility for approving and overseeing compliance with supply chain policies and statutory disclosures	
<b>Board Risk Committee</b>	<b>Board ESG Committee</b>
Responsibility for reviewing and overseeing incorporation of suppliers into Dexus risk and compliance frameworks	Oversight of Dexus’s approach to managing modern slavery risk in the supply chain platform wide
<b>Group Management Committee (GMC)</b>	
Oversight of Dexus’s procurement framework and coordinating its application across the group	
<b>Property Executive Committee (PEC)</b>	<b>Corporate Executive Committee (CEC)</b>
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.
<b>Governance, Sustainability, Risk and Compliance teams</b>	<b>Dexus/CBRE Facilities management teams</b>
<ul style="list-style-type: none"> <li>– Oversight of modern slavery policies and procedures</li> <li>– Providing training to Dexus people about modern slavery</li> <li>– Monitoring compliance</li> <li>– Investigating whistleblower matters and other grievances.</li> <li>– Assisting with the assessment of modern slavery risk</li> </ul>	<ul style="list-style-type: none"> <li>– Operational procurement</li> <li>– Supplier due diligence</li> <li>– Supplier contractual monitoring</li> <li>– Awareness training for high-risk industry workers</li> <li>– Supplier assessment and engagement on modern slavery</li> <li>– Suppliers spend analysis and overall risk assessments</li> </ul>
<b>Policies and Procedures</b>	
Sustainable Procurement Procedure & Supplier Code of Conduct   Tendering   Human Rights   Environment Policy & Statement   Work Health Safety & Wellbeing Statement   Fraud, Corruption and Bribery (Prevention and Awareness) Conflicts of Interest   Dexus Operating Limits   Embargo Supplier Procedure and List   External Service Providers   Procurement Procedure   Purchasing   Travel   Corporate Card	
<b>Implementation practices</b>	
<b>Procurement</b>	<b>Supplier monitoring</b>
<ul style="list-style-type: none"> <li>– Business procedures for procurement</li> <li>– Category based evaluation standards, minimum requirements and weightings.</li> <li>– Risk and opportunity assessment</li> <li>– Supplier engagement and new supplier engagement process</li> <li>– Pre-qualification process</li> <li>– Tendering process</li> <li>– Modern slavery risk ranking, performance</li> </ul>	<ul style="list-style-type: none"> <li>– Supplier audited Internal Controls Reports (e.g. GS007) annual or as contracted.</li> <li>– Supplier attestations quarterly or as contracted confirming compliance to contract, SLAs, and Supplier Code of Conduct</li> <li>– Informed 365 Modern Slavery Questionnaire</li> <li>– EcoVadis ESG Assessments and Corrective Action Plans</li> <li>– Targeted 3<sup>rd</sup> party Modern Slavery Audits</li> <li>– Regular Monitoring of contract KPIs and SLAs</li> <li>– Rapid Induct contractor management system.</li> <li>– In-house property risk management system</li> <li>– Project Control Group meetings and reports</li> <li>– Transactional, Preferred, Strategic, and Critical supplier segmentation.</li> <li>– Spend and criticality analysis.</li> <li>– Supplier self-assessments</li> <li>– Contractor spot checks and corrective action plans</li> <li>– Tier 2 supplier identification</li> </ul>



### 4.3. Supply chain objectives

Whilst always conscious of delivering appropriate commercial outcomes for our customers and investors, we aspire to and dedicate focus towards using our aggregate spend to positively influence environmental, social, and governance standards with our suppliers, products, and workers.

We take a long-term view to partner with our suppliers to achieve quality service and appropriate commercial outcomes for our customers, investors, and suppliers. We collaborate with suppliers to take action and report on progress to address specific environmental, social and governance outcomes through enhanced due diligence, risk profiling, 3rd party assessments, and continuous improvement plans.

#### General supply chain management priorities

Dexus's supply chain encompasses a diverse range of products and services which are grouped into procurement categories.

Our supply chain goals are to:

- **Maintain an efficient procurement process:** operating under sound governance that achieves the best value for money, meets business and client 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.
- **Partner on ESG outcomes:** continue to develop and manage relationships with suppliers and contractors to encourage them to promote a best practice approach to employment practices, social impact and the environment.

- **Challenge suppliers:** to deliver tangible, innovative and sustainable solutions that deliver mutually beneficial outcomes.
- **Assess and evaluate performance:** 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.
- **Communicate on objectives:** Mandate that all suppliers acknowledge and abide by the Dexus Sustainable Procurement Policy & Supplier Code of Conduct. Ensure prospective and new suppliers understand sustainability-related contract criteria and requirements.
- **Build and maintain key competencies:** Maintain sustainable procurement capability by engaging and upskilling employees and implementing sustainable procurement training for procurement and contract managers.
- **Engage and seek feedback:** Collaborate with suppliers and seek feedback as part of contract management.
- **Target spending based on aligned goals:** Where appropriate, increase the purchase of products that support community-based charities, are carbon neutral or have a lower carbon footprint, or are more efficient or meet internationally recognised sustainability performance standards.
- **Support communities:** Where appropriate, we partner or encourage supplier participation in charitable community engagement, and support suppliers to take action to promote equity, diversion and inclusion in our community.

### Supplier Segmentation

Dexus's supply chain encompasses a diverse range of products and services which are grouped into procurement categories. Dexus segments its suppliers into four segments to focus on suppliers that have the biggest impact on these categories, objectives and goals.

- We define a critical supplier as: a material outsourced supplier whose failure could significantly impact the corporate or portfolio operations.
- We define a key supplier as: a supplier integral to ongoing operations, typically a partner, or strategic relationship, whose failure could significantly impact the operations at an individual asset or Dexus in the short term.
- We define a preferred supplier as: having been assessed against commercial, sustainability and risk criteria and is approved for use as a preferred supplier in accordance with the sustainable Procurement Policy

A list of preferred, key and critical suppliers is maintained for each procurement category and. The list is published internally. The preferred supplier list is updated on a regular basis as an outcome of procurement or supplier management activity.

- We define a transaction supplier as: any supplier which is approved for Dexus to transact with.

We regularly assess and rationalise transactional 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.

- We define an embargoed supplier as: a supplier that does not meet our required standards and is not approved to transact with. Dexus maintains a list of Embargoed suppliers in accordance with Dexus's internal Embargo Policy.

Dexus's internal Embargo Policy outlines our approach to managing contractors and service providers that do not meet our required 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.

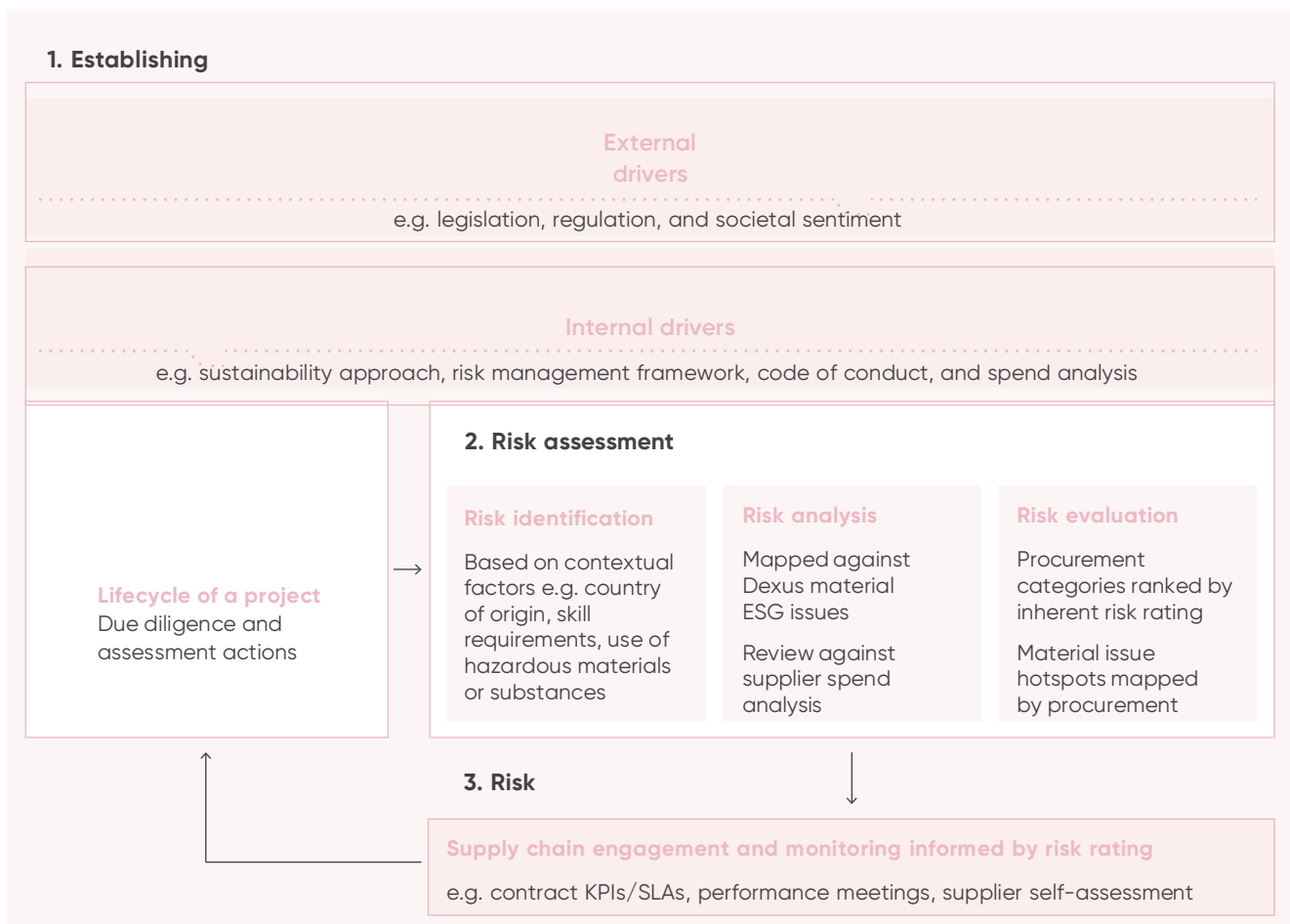
## Understanding supply chain sustainability risk exposure

Dexus undertakes risk assessments of our supply chain, this risk assessment takes into account external factors such as industry of operations, country of operations, criticality to our business, procurement category and volume of spend.

Upon verification of risk level, we request selected preferred, key and critical suppliers to participate in EcoVadis, a 3rd party ESG risk assessment. This assessment is tailored to the size and industry of the supplier and covers across 4 key themes: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

The outcomes of this assessment are evaluated to verify any residual risks of individual suppliers and benchmark their performance across the 4 themes. Any residual risks are managed using a corrective action plan with the supplier with set time frames to address improvement areas. Suppliers taking part in this assessment also have access to learning resources to assist in their development of policies, implementation and reporting on strategies to address sustainability risk within their business and can then be reassessed once those items addressed.

## Understanding supply chain sustainability risk exposure



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 and corrective actions required of existing 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.

## Procurement and supply chain management approach

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 lifecycle for managing categories, procurement and supplier monitoring comprises:

Project stage	Due diligence actions	Assessment outcomes
0. Supply chain sustainability risk assessment and spend analysis		<ul style="list-style-type: none"> <li>– Periodic risk assessment conducted in accordance with our Risk Management Framework to evaluate our procurement categories against external contextual factors.</li> <li>– Procurement categories are ranked by inherent risks material to Dexus to inform procurement and supply chain monitoring activities</li> </ul>
1. Project is proposed	<ul style="list-style-type: none"> <li>– Project owners follow procurement procedures to develop and present a project business case to decision makers.</li> <li>– Project assigned risk level in accordance with Tendering and Operating Limits Policies</li> <li>– Articulate project sustainability goals</li> </ul>	<ul style="list-style-type: none"> <li>– Internal Audit of Operating Limits policy</li> </ul>
2. Project is approved	<ul style="list-style-type: none"> <li>– Project owners procure services directly within agreed limits and preferred panel, or work with our procurement team to procure major services via formal tender</li> </ul>	<ul style="list-style-type: none"> <li>– Internal Audit of Operating Limits policy</li> </ul>
3. Quotes obtained or formal tender is issued	<ul style="list-style-type: none"> <li>– Business units work with our procurement team to issue project brief to service providers.</li> <li>– Service providers may be prequalified and selected on our preferred supplier panel.</li> <li>– Sustainability prequalification criteria specified</li> </ul>	<ul style="list-style-type: none"> <li>– Internal Audit of Operating Limits policy</li> </ul>
4. Service provider is selected	<ul style="list-style-type: none"> <li>– Service providers are evaluated during a rigorous and structured screening and ranking of suppliers, using a category specific balanced scorecard to assess service provider capability, ESG performance, service delivery and value</li> </ul>	<ul style="list-style-type: none"> <li>– The standard balanced scorecard as applied to each category</li> </ul>
5. Service provider is appointed	<ul style="list-style-type: none"> <li>– We review proposed services to confirm fair value upfront and avoid later uplift.</li> <li>– Service providers contractually agree to the Dexus Sustainable Procurement policy and Supplier Code of Conduct</li> </ul>	
6. Service is undertaken		<ul style="list-style-type: none"> <li>– Supplier management systems track on-site contractor activity and ensure contractors maintain licences and insurances.</li> <li>– The Supplier management framework specifies frequency of review meetings between Dexus and suppliers</li> </ul>
7. Service is monitored	<ul style="list-style-type: none"> <li>– Our procurement team monitors supplier performance through site feedback, regular performance meetings and tracking against KPIs</li> </ul>	<ul style="list-style-type: none"> <li>– Site-level contractor spot checks evaluate performance and inform corrective action plans where required.</li> <li>– Evaluation against contract KPIs and SLAs</li> <li>– 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</li> </ul>
8. Project completion	<ul style="list-style-type: none"> <li>– We evaluate the effectiveness and value for money as part of retaining service providers.</li> <li>– We conduct a supplier spend analysis to maintain a current view of critical suppliers and commodities</li> </ul>	<ul style="list-style-type: none"> <li>– 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</li> </ul>

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 Procedure & 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 fit for purpose, and comply with all legal requirements and standards.

Specific standards regarding ESG are agreed with suppliers 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 Dexus's business operations.

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.

#### 4.4 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 Working Group, we collaborated with industry peers through to develop a common supplier due diligence Modern Slavery Questionnaire, and this is implemented across our supplier base.

We are using the responses to the PCA Modern Slavery Questionnaire to identify higher risk suppliers with whom we should engage to ensure modern slavery risks are appropriately identified and managed with further 3rd party ESG assessment. We also conduct surveys of the employees of our suppliers to measure the effectiveness of the Anti-Modern Slavery practices implemented by our suppliers.

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, which is available on the Dexus website.



## 4.5 Procurement and supply chain monitoring procedures

Our procurement procedures outline the procurement process for Dexus and by authorised third party property managers. The procedures accompany the Dexus procurement-related policies in the Supply Chain Management Framework. The procedures ensure that:

- Service providers are engaged based on merit and are only appointed after appropriate due diligence.
- Contracts with suppliers are adequate and are in accordance with legal and regulatory requirements.
- Performance of suppliers and compliance with contractual and service level arrangements are monitored and reviewed.
- 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.

## Tendering

Our tender process ensures that service providers are chosen based on merit and capacity to deliver works, acceptance of Dexus's or agreed 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:

- Supplier audited Internal Controls Reports (e.g., GS007) annual or as contracted review process.
- Supplier attestations quarterly or as contracted confirming compliance to contract, SLAs, and Supplier Code of Conduct review process
- Regular performance review meetings with site teams that assess performance against KPIs and SLAs. Where required these are reviewed by Risk Committees and relevant Boards
- 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 conducted via the contractor management system.
- 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
- 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.

## 4.6 Supplier 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 Wellbeing (WHS&W) 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&W 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&W 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

## 4.7 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.

## 4.8 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. The table below outlines our supply chain management and sustainable procurement framework.

Objective	Output	Impact
<b>Supply chain management and sustainable procurement</b>		
<b>Maintain value aligned partnerships</b>	<ul style="list-style-type: none"> <li>– Number of critical key and preferred suppliers</li> <li>– Supplier relationship satisfaction score (0 to 10)</li> <li>– Value for money</li> </ul>	<ul style="list-style-type: none"> <li>– Stronger supplier relationships</li> <li>– Maintained service continuity.</li> <li>– Minimise costs associated with service disruptions</li> </ul>
<b>Effective service delivery</b>	<ul style="list-style-type: none"> <li>– Customer satisfaction survey</li> <li>– Feedback from customers and/or facility managers</li> <li>– Supplier conformance and legal compliance (fines, penalties and breach notices)</li> <li>– Contract non-conformance reporting</li> <li>– Achievement of contract KPIs and SLAs</li> </ul>	<ul style="list-style-type: none"> <li>– Customer satisfaction</li> <li>– Increased likelihood to renew leading to sustained revenue generation.</li> <li>– Reduced compliance costs</li> </ul>
<b>Human rights</b>		
<b>Readiness for Modern Slavery legislation</b>	<ul style="list-style-type: none"> <li>– Supplier Code of Conduct in contracts affirmed by the contractor on an annual basis.</li> <li>– Spot checks monthly</li> <li>– Identification of high-risk industry participants or suppliers with high-risk country of operations</li> <li>– 3rd part ESG assessments conducted with selected preferred, key and critical suppliers with corrective action plans.</li> <li>– Targeted audits of suppliers in the high-risk industry grouping or with residual risk</li> <li>– Supplier KPIs related to human rights due diligence.</li> <li>– Supplier coverage of modern slavery due diligence questionnaire</li> <li>– Number of grievances</li> <li>– Incidents of non-conformance</li> </ul>	<ul style="list-style-type: none"> <li>– Reduced compliance costs associated with human rights.</li> <li>– Enhanced reputation through minimal human rights impacts at Dexus</li> </ul>
<b>Fair Working Conditions</b>	<ul style="list-style-type: none"> <li>– Incidents of non-conformance</li> <li>– Corrective action plans</li> </ul>	
<b>Health and safety</b>		
<b>Maintain a safety culture</b>	<ul style="list-style-type: none"> <li>– A 'zero harm' safe workplace targeting zero fatalities.</li> <li>– Selection and engagement of suitable contractors via comprehensive due diligence process</li> <li>– Establishment of contractor WHSE metrics including lead and lag indicators</li> <li>– Contractor WHSE training, communication and engagement (e.g., induction, safety alerts, contractor meetings)</li> <li>– Contractor risk management (e.g., SWMS, WHSE Project plans, permits)</li> <li>– Monitoring of contractor performance in accordance with Dexus WHSE system and contract requirements</li> </ul>	<ul style="list-style-type: none"> <li>– Enhanced worker health and wellbeing and engagement</li> <li>– Increase efficiency in risk management. practices and achieving desired/ positive outcomes</li> <li>– Reduced incidence of injury</li> <li>– Reduced compliance costs associated with WHS.</li> <li>– Enhanced reputation through minimal WHS impacts at Dexus sites and positive outcomes achieved.</li> <li>– Reduced insurance costs</li> </ul>

## 5.0 Real assets

**Developing, managing and transacting real assets to create a high-quality portfolio across Australia's key cities.**

### 5.1 Overview

As a real asset company, Dexus's properties and infrastructure assets are central to how we create value. We actively manage our real estate and infrastructure portfolio to enhance its potential, while unlocking value through development to further enhance quality or for higher and better uses.

Our real assets portfolio is concentrated in Australia and New Zealand's major cities, which we contribute to shaping as leading destinations to live, work and play.

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.

### 5.2 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.

Publicly available policies are available at [www.dexus.com/corporategovernance](http://www.dexus.com/corporategovernance)



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.

## 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

#### Co-Heads of Infrastructure<sup>1</sup>

Oversight of Dexus Infrastructure funds management business\*

#### Capital Transactions and Origination, and Developments team

Office | Retail | Healthcare | Industrial

#### Strategy team

#### Communications, Technology, Sustainability and Property Management teams

#### Funds Management, Asset Management, and Origination teams

Transport | Energy | Health & Aged Care | Student Accommodation | PPPs

Transaction and Origination responsibilities:	Development responsibilities:	Responsibilities:	Responsibilities:	Responsibilities:
<ul style="list-style-type: none"> <li>- Identify and evaluate direct investment opportunities (and risks)</li> <li>- Develop and execute business processes relating to due diligence, documentation and onboarding of acquisitions and developments.</li> <li>- Origination and execution of development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Actively manage developments.</li> <li>- Set project objectives including the Dexus feasibility, vision and standards to meet and exceed customer expectations.</li> <li>- Manage authority approval process.</li> <li>- Manage the design and construction process including meeting Dexus's and customers' briefs.</li> <li>- Ensure the handover of completed projects to asset management</li> </ul>	<ul style="list-style-type: none"> <li>- Identify and evaluate emerging opportunities (and risks)</li> <li>- initiate and undertake regular stress-testing of business model and positioning.</li> <li>- Engage with Board and Senior management in determining and agreeing business priorities.</li> <li>- Develop and execute business cases for targeted initiatives.</li> </ul> <p style="margin-left: 20px;">Origination and execution of corporate transaction opportunities</p>	<ul style="list-style-type: none"> <li>- Provide technical advice on execution of sustainability objectives.</li> <li>- Integrate emerging stakeholder issues into business strategy.</li> <li>- Government and other relevant stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>- Identify and evaluate investment opportunities (and risks)</li> <li>- Active investment management through voting rights on boards and board sub-committees</li> <li>- Sharing of best practice between investee companies</li> <li>- Developing and executing on new product offerings, including separately managed accounts and comingled funds</li> </ul>

### Policy Framework

Development and Construction | Due Diligence | Investment Procedures | Transactions Handbook | Capital Transactions Excellence Method | Development Excellence Method | Environment | Biodiversity | Work Health, Safety & Wellbeing | Investor Communications | Continuous Disclosure

<sup>1</sup> Dexus and AMP Limited ("AMP") finalised binding documentation for an alternative Transaction structure for the acquisition of Collimate Capital's real estate and domestic infrastructure business under a two-stage completion process, with First Completion occurring on 24 March 2023. The alternative transaction structure allows First Completion of the Transaction without satisfaction of the condition precedent relating to the transfer of AMP's ownership interest in China Life AMP Asset Management ("CLAMP") out of entities being acquired by Dexus under the Transaction. First Completion enables integration of the Collimate Capital business into the Dexus platform, with Dexus entitled to the economics from First Completion. Final Completion remains dependent on the ownership of CLAMP being transferred out of the relevant entities that Dexus has agreed to purchase.

## 5.3 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 are categorised as:

1. Material issues could lead to the abandonment of the potential investment.
2. 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.
3. 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:

1. Material issues that may lead to the abandonment of the development option.
2. Less significant issues, risks and opportunities that impact the decision and/or the investment metrics, or the scheme recommendations.
3. 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:

Driver	Rationale
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	Investing in energy technology during design to reduce greenhouse gas emissions. Project investments are paid back through reduced utility and maintenance costs in a reasonable timeframe.
Partnership approach to ESG to meet customer demand and responding to changing consumer sentiment	Incorporating customers' functional needs and ESG aspirations results in a tailored development response that meets customers' long-term space needs. Customers, led by government agencies, are increasingly demanding high performing, low carbon buildings to support them to meet their ESG needs.
Improving rental returns	Optimising design elements such as façade, lighting, and air conditioning to maximise energy efficiency reduces outgoings for customers, leading to increased demand for space, premium rents and shorter vacancy periods.
Industry leadership and benchmarking	Applying suitable focus to ensure that new properties are leaders in their respective markets. 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	Ensuring new properties are 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	Meet increasing investor appetite for low carbon investments.

## 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 requirements and minimum standards relating to sustainability issues and performance for key areas including:

- Biodiversity and habitat
- Location and transportation
- Building safety
- Supply chain
- Climate change and adaptation
- Water consumption
- Energy consumption and greenhouse gas emissions
- Waste management
- Environmental and health attributes of building materials
- Health and wellbeing during construction and for future occupants

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.

Dedicated project control groups are established to oversee various aspects of each development through its design, construction and commissioning.

## **Green building certifications**

Dexus selectively rates new developments against the Green Building Council of Australia's (GBCA) Green Star certification 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.

## **Infrastructure Investment and Due Diligence**

Dexus Infrastructure invests in assets with core risk return profiles, particularly brownfield PPPs, regulated energy utilities, transport, health, aged care, and student accommodation. We consider ESG issues as a key component of our mainstream investment process as demonstrated by explicit protocols across the full scope of our investment process, from the identification of new opportunities, throughout origination and due diligence, and in post-acquisition management of the investment.

Rigorous investment process controls are in place to ensure high quality consideration of ESG issues regardless of sector, fund, investment style or geography. These are reinforced by Dexus's integrated corporate responsibility framework that commits our organisation to making responsible investment decisions on behalf of our investors.

When considering the key sustainability issues likely to impact our infrastructure investment portfolios, we assess the physical location of a facility or service, environmental impacts and constraints, community and social implications, the dynamics of the sector or industry in which they operate and the business practices of related counterparties. Furthermore, we consider the scope of governance arrangements in place to protect the long-term interest of investors. The materiality of specific issues will vary greatly between each investment given its unique characteristics and the contractual arrangements between counterparties. Common sustainability considerations include environmental legislation, biodiversity, occupational health and safety, community safety, stakeholder management, community grievances, board composition, shareholder rights, succession planning, audit processes and sustainability considerations.

### **Pre-Investment Approach**

When originating new investment opportunities, we apply both a qualitative and quantitative approach in assessing the risks, opportunities and potential impact of sustainability issues. Sustainability issues are considered in the very early stages of investment analysis and addressed throughout the investment approval process. We believe the process of quantifying the financial impact of sustainability risks provides a greater appreciation of commercial significance and the sustainability of business operations. Our investment team has sought to continuously improve the way in which we incorporate quantitative analysis into our investment process.

To achieve the highest standards of quality in sustainability integration, the following process controls are present throughout the investment process:

Stage 1 - Opportunities pipeline report: The Infrastructure division produces regular reports on the status of transactions underway. The opportunities pipeline report provides an overview of investment characteristics, deal metrics, key investment risks and the status of each opportunity. Sustainability risks are included in the key investment risks sections and are sector or transaction specific, dependant on the status of the deal.



Stage 2 – Concept approval paper: An investment concept paper is prepared for the Infrastructure Investment Committee and required to contain a prescriptive list of transaction specific sustainability issues that the investment team will explore during detailed due diligence. The concept paper must also include identification of any sustainability resources required during due diligence (i.e., collaboration and/or secondment of internal expertise and/or specialist external consultants).

Stage 3 – Due diligence: Following concept approval, an investment opportunity is taken through an exhaustive process of due diligence. Given the complex nature of infrastructure transactions, the infrastructure team may appoint external advisors where specialist skills or technical knowledge are required, e.g. engineering and environmental consultants. The investment team is responsible for allocating transaction specific sustainability issues and drawing a conclusion on sustainability due diligence in order to ‘Price, Transfer or Monitor’ any sustainability factors associated with the transaction.

Stage 4 – Final approval paper: A detailed investment paper is presented to the Infrastructure Investment Committee for final approval. This paper provides conclusions from sustainability due diligence and the methodology to price, transfer or monitor sustainability issues. Pricing sensitivities on specific sustainability issues are presented to provide transparency of their commercial relevance. An explicit strategy to mitigate all material sustainability risks (through price, transfer, and monitor approach) must be provided prior to Committee approval.

Stage 5 – Completion noting paper: Subsequent to financial close, a completion paper and investment pack (consisting of all due diligence research and data room materials, internal approvals and documentation associated with the transaction) is compiled for future reference. The investment completion paper must be submitted to the Infrastructure Investment Committee within 28 days of transaction completion. All sustainability due diligence materials are retained within this pack.

## Post-Acquisition Management

The following approaches are utilised by Dexus Infrastructure following acquisition of an Infrastructure asset:

- Active ownership and asset management: Dexus places a strong emphasis on the active management of its infrastructure assets. Transparency and influence of sustainability performance is typically achieved through board representation, CEO and senior management dialogue, strong relationships, and contractual arrangements with third-party operators. Dexus also initiates sustainability focused research and strategic propositions, based on a wealth of internal experience in the asset class and across responsible investment themes. Each Infrastructure investment is assigned a dedicated asset manager, whose responsibilities include sustainability monitoring and management.
- Board representation: Board representation allows Dexus to play a direct and active role in monitoring, assessing, and influencing the financial and sustainability performance of our investments. Board members are responsible for ensuring sustainability issues are considered in the context of the operational performance, corporate strategy, and broader stakeholder relationships. Board representation also ensures strong governance and enforcement of legislative compliance, approval of risk management frameworks, and implementation and engagement of sub-committees. Board representation is shared amongst senior members of the Infrastructure Team and external appointees who have the necessary industry experience and skill.
- Third-party operators: While core infrastructure assets generally have their own board and in-house management team to address corporate and operational issues, some social infrastructure investments rely heavily on third-party operators to provide operational support, maintenance, and facilities management activities. Where infrastructure asset managers are responsible for managing third-party service

delivery, monitoring, and driving improved sustainability performance is an important aspect of the role.

Monitoring of sustainability related activities is facilitated through standardised reporting, site visits/inspections by the investment team and regular forums with stakeholders to progress sustainability initiatives for each of the investments.

- Periodic Sustainability Appraisals: Sustainability factors and management practices are appraised on an asset specific basis. Evaluation conclusions are incorporated into investee company dialogue, co-investor engagement, budgeting, valuation and asset management practices. While sustainability appraisal outcomes are typically focused on improved transparency and risk management, strategic propositions may also be developed where opportunities exist to leverage sustainability factors for improved profitability.
- Leveraging best practice: Each new due diligence process, periodic sustainability appraisal or implemented initiative typically identifies new learnings that can be of benefit across our global portfolio of assets.

## 5.4 Stakeholder engagement

Building and nurturing strong working relationships with our stakeholders is critical to our value creation. Our key relationships include investors, third party capital partners, customers, communities, our people, suppliers, government, and media. Stakeholder engagement supports these relationships and enhances Dexus’s capacity to create value through the following objectives:

- Helping Dexus identify and act on value creation opportunities (e.g., acquisitions)
- Identifying megatrends and material issues for Dexus to integrate into its corporate strategy and Sustainability Approach
- Understanding the impacts that Dexus has on its stakeholders, including local community impacts.
- during development activity, and how Dexus can enhance positive impacts and minimise negative impacts.

- Learning about best practice initiatives in sustainable development that can enhance Dexus's leadership in managing environmental, social and governance (ESG) issues.
- Providing feedback to Dexus on what is working well, and how Dexus can improve its service delivery.
- Collaborating with peers, partners and suppliers to improve industry standards and enhance the benchmark for Australian real estate.

Dexus maintains an active program of engagement activities to support value creation. Dexus's values comprise Openness and Trust, Empowerment, and Integrity which all underpin its approach to stakeholder engagement.

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.

Dexus has developed an overarching Stakeholder Engagement Guideline that identifies its key stakeholder groups and relevant engagement objectives and typical engagement activities. The Dexus Stakeholder Engagement Guideline at [www.dexus.com/corporategovernance](http://www.dexus.com/corporategovernance)

## 5.5 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	<ul style="list-style-type: none"> <li>- Value of portfolio</li> <li>- Portfolio occupancy rates</li> <li>- Constructions jobs supported at development projects.</li> <li>- Gross value added to the economy from development projects</li> </ul>	<ul style="list-style-type: none"> <li>- Leading destinations that attract economic activities to our cities</li> <li>- Economic contribution to location communities</li> </ul>
Sustainable development	<ul style="list-style-type: none"> <li>- Green building certifications achieved at selected development projects including but not limited to Green Star (5 Star Green Star Design &amp; As Built v1.3, or 4 Star Green Star Buildings v1), NABERS, WELL</li> <li>- Design to achieve net zero emissions in operation</li> </ul>	<ul style="list-style-type: none"> <li>- Demonstration of sustainable development outcomes</li> <li>- Environmental and health impacts as described elsewhere in this document (e.g., improved health from reduced pollution, enhanced occupant wellbeing)</li> </ul>
Stakeholder engagement	<ul style="list-style-type: none"> <li>- Meetings with investors, government, and other stakeholders</li> <li>- Benchmark ESG performance</li> <li>- Disclosures via Annual and half-year reporting</li> <li>- Media reach</li> <li>- Social media analytics (followers and engagement)</li> <li>- Community engagement for all development activities</li> <li>- Fit for purpose engagement methods</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced reputation from strengthened stakeholder sentiment and strong, consistent communication</li> <li>- Enhanced communication to general public</li> <li>- Enhanced reputation from strong positioning of brand and business activity</li> <li>- Understanding and responding to trends of interest</li> <li>- Positive relationships during and after development</li> <li>- Enhanced reputation</li> </ul>

## 6.0 Thriving People

**Building an engaged, capable, and inclusive workforce, adopting high performance ways of working, to deliver on our strategy.**

### 6.1 Overview

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 realise 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 embraces a range of perspectives.

- Workplace health, safety, and wellbeing: we have a duty of care to our people, as well as investors, customers, agents, contractors, service providers and the wider community to ensure workplace health, Safety and Wellbeing (WHS&W) risks are appropriately managed. We recognise that safety incorporates more than physical safety, with psychological safety and wellbeing 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.

### 6.2 Management Framework

Several areas of our business, under the leadership of the Board and Group Management Committee (GMC), collaborate to deliver our objective of Thriving People.

Several policies are publicly available at [www.dexus.com/corporategovernance](http://www.dexus.com/corporategovernance)

The table below provides insight into the relevant management structure and policy framework.

<b>Thriving People management framework</b>	
<b>Dexus Board (Board)</b>	
Responsibility for approving remuneration outcomes and people policies	
<b>Board People &amp; Remuneration Committee</b>	
Oversight of people practices by reviewing and endorsing key policies and practices around employee engagement, professional development, succession planning, culture, inclusion, and diversity.	
<b>Group Management Committee (GMC)</b>	
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	
<b>People and Culture team</b>	<b>Risk team</b>
Responsible for executing Thriving People strategy across: <ul style="list-style-type: none"> <li>- Employee culture and engagement</li> <li>- Talent attraction and retention</li> <li>- Learning and development</li> <li>- Remuneration and benefits</li> <li>- Inclusion and diversity</li> </ul>	Oversight of workplace health and safety
<b>Policy Framework</b>	
Employee Code of Conduct   Inclusion and Diversity   Flexible Working   Work Health, Safety and Wellbeing Human Rights   Whistleblower   Training and Education   Workplace Behaviour   Leave	

### 6.3 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 pride, 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.

#### Purpose and values

Our culture is critical to the foundation of our operating model. This year, we undertook an approach to define our aspirational culture and have launched a new purpose, set of values and employee value proposition. This incorporated top-down and bottom-up insights to bring the desired future cultural qualities to life through the articulation of target mindsets and behaviours.

This year we launched our new purpose “**Unlock potential, create tomorrow**”, which captures our unique capability to expand what is possible and use that potential to deliver long-term value for our investors, people, customers and communities. Our new values, “**rally to achieve together**” and “**build trust through action**” describes the behaviours and mindsets that bring to life our evolving culture.

#### Employee Listening Strategy

We survey our people at least twice per year to understand levels of engagement and sentiment around the employee experience and workplace circumstances such as inclusion and diversity, career and development, leadership, change management, health and wellbeing.

An outcome of these surveys is an Employee Engagement Score, which we use as a key metric comprised of five engagement questions which encompass connection, motivation, and commitment. We also analyse survey results by a range of demographics, including gender, location, and business unit to understand how sentiment varies across Dexus and to identify areas of opportunity. Survey results and insights are used to develop management actions to lift engagement where required.

## Employee attraction and retention

Ensuring the effective attraction, engagement and retention of employees is an integrated and continuous process of measurement and adjustment. The GMC conducts a capability assessment, talent and succession review and the Board People & Remuneration Committee oversees this process.

To attract new employees, we use recruitment technology to support an enhanced best practice recruitment process, supported by hiring managers who have been educated on inclusive communications and engagement. We operate a careers website and advertise roles across a range of search platforms to capture talent pools for key job segments. This enables efficient and effective access to a diverse range of talent pools, enabling the group to attract the best available talent in the market.

To support the retention of existing employees, we encourage all employees to have individual development plans, recognise and reward professional and personal achievements, invest in learning and career development and actively support internal mobility of our talent.

## Performance management and role clarity

Employees undertake ongoing check-ins with their managers to agree on and evaluate progress against targets and objectives, career and development and day-to-day employee experiences including 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

Employees are rewarded for contributing to the success and growth of the group. Our remuneration structure is based on market competitiveness, alignment with the achievement of financial and operational objectives. We combine 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, Dexu Days (5 days of additional leave annually), Employee Share Ownership Plan 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 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, additional time off beyond standard allowances, supporting education and experiences of interest to the individual.

Dexu 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 Dexu. 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 Dexu 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 one 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 factors.

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.

## Learning and development

At Dexus we take a blended learning approach, recognising that the most impactful learning and development comes from a combination of a variety of sources:

- **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.

Managers work with their direct reports 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 development plans (IDPs) to maintain and build upon their skills, knowledge and experiences to perform in their current role and progress toward career goals and milestones. Activities within a development plan may include role shadowing, individual strengths assessments, coaching, mentoring, learning programs, professional memberships, project opportunities, study assistance or 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, procurement, emergency practice procedures and customer service.

## Leadership development

Dexus Leadership capabilities are defined by Management and endorsed by the Board People and Remuneration Committee. The agreed leadership capabilities are embedded across the talent lifecycle, including psychometric assessment process for candidates, expectations set for leaders and employees in induction and in the design of leadership development programs, resources, and experiences.

We conduct leadership development programs to build and maintain the capability of management and to drive commercial and cultural change. Our leadership programs include 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 suite, including a one-day induction program to set expectation to all new leaders, whether they are leading others, teams, or the organisation. Launched in 2023, Lead@Dexus Leadership Conversations Mastery is a further program to equip Leaders with the tools to build high performing and engaged teams.

An online performance management system is used to manage and improve the abilities of managers and to facilitate employee self-development.

People managers are engaged in regular management forums to guide them through the annual people cycle, including just in time capability build and resources to deliver key people management experiences such as goal setting, talent and succession, performance reviews, career and development planning, as well as ad-hoc deep dives on topics such as mental health and flexible working. Forum content is regularly reviewed to ensure it will continue to meet the capability and role needs of leaders and managers.

In 2023, we also extended our internal learning program to include Grow@Dexus, a program that provides inclusive development opportunities for all employees.

## 6.4 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.

### Gender diversity and pay parity

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 Workplace Gender Equality Agency (WGEA) guidance, and includes:

- Reducing the absolute pay gap through progressive action and target to achieve 40:40:20 gender representation in senior and executive management roles
- 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
- **Property Council of Australia's Girls in Property Program** – an industry partnership that aims to raise awareness among high school students of the various career paths available across the property industry
- **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

For employees where Dexus's parental leave policy applies, 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. For employees that have joined Dexus from AMP Capital during the year, the pre-existing AMP parental leave policies continues to apply and those employees will transition to the Dexus parental leave policy in FY24.

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 to unlock potential, create tomorrow. 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 inclusive culture
- An increase in males taking paid primary carer leave which supports our gender equality agenda
- Employees supported with learning and development, career continuation within the first year of employment
- Continued membership with parents and carer support organisations including '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 request access flexible working arrangements with their manager.

The policy seeks to enable a culture of inclusion and gender equity by empowering employees to adjust their working arrangement to best manage their work and life commitments. The policy aims to enhance employee wellbeing and employee engagement, team performance productivity and talent retention.

## 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 (RAPWG)** 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 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

## 6.5 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. Section 4.0 Supply Chain details 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.

## 6.6 Employee Health and wellbeing

Dexus has established a Safe & Well framework 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.

## Maintaining a safe workspace Health and wellbeing

Our Work Health, Safety and Wellbeing (WHS&W) statement demonstrates Dexus commitment to WHS&W. We recognise we have a duty of care to our investors, tenants, employees, agents, contractors, service providers and the wider community to ensure all Work Health, Safety and Wellbeing (WHS&W) risks arising from our business 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&W risks across the portfolio. The Statement governs the development, management and monitoring of tailored WHS&W 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 W performance.

The key legislation governing Work Health and Safety (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 asset-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.

## 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.

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

## 6.7 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.

The table below summarises our approach to impact mapping to communicate how our sustainability approach activities lead to benefit for Dexus and our stakeholders.

### Thriving People impact map

Activities	Outputs	Employee Outcomes	Employee benefit	Dexus benefit
<b>Employee engagement and performance</b>				
<ul style="list-style-type: none"> <li>- Employee listening strategy</li> <li>- Performance management and role clarity</li> <li>- Recognition, reward and benefits</li> <li>- Activating the Dexus purpose</li> <li>- KPI setting process for each employee</li> </ul>	<ul style="list-style-type: none"> <li>- Employee confidence in role purpose</li> <li>- Employee confidence in role goals/objectives</li> <li>- Employee performance reviews</li> <li>- Employee satisfaction with enabling systems and processes</li> <li>- Participation in internal networking and events</li> </ul>	<ul style="list-style-type: none"> <li>- Employees feel appropriately matched to their roles</li> <li>- Enhanced employee satisfaction with their team and manager</li> <li>- Employee trust in management</li> <li>- Employees feel they have a pathway to advance at Dexus</li> <li>- Employees build connections, friendships, networks at work</li> </ul>	<ul style="list-style-type: none"> <li>- Increased employee engagement</li> <li>- Increased retention</li> <li>- Improved sense of fulfillment at work</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced employee turnover costs and associated morale challenges</li> <li>- Enhanced employee productivity</li> </ul>
<b>Learning and development</b>				
<ul style="list-style-type: none"> <li>- Management training</li> <li>- Leadership training (including inclusive leadership)</li> <li>- Culture training</li> <li>- Technical / customer training</li> </ul>	<ul style="list-style-type: none"> <li>- Number of employees participating per training activity</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced employee skills in time management, managing people</li> <li>- Improved self-awareness of development opportunities</li> <li>- Enhanced capacity for influencing, negotiating, strategic problem solving</li> <li>- Employee understanding of expected values and behaviours</li> <li>- Enhanced understanding of customer needs</li> </ul>	<ul style="list-style-type: none"> <li>- Increased employee engagement</li> <li>- Increased retention</li> <li>- Improved sense of fulfillment at work</li> <li>- Customer NPS</li> <li>- Team engagement</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced employee turnover costs and associated morale challenges</li> <li>- Enhanced employee productivity</li> <li>- Increased customer retention</li> <li>- Increased competitive advantage through enhanced capabilities</li> </ul>
<b>Inclusion and diversity</b>				
<ul style="list-style-type: none"> <li>- Policies and practices including leave entitlements</li> <li>- Flexible job design</li> <li>- Supporting parents and carers</li> <li>- Diversity networks, initiatives, events</li> </ul>	<ul style="list-style-type: none"> <li>- More diversity in workforce</li> <li>- 40:40:20 gender representation in Dexus senior and executive management roles</li> <li>- Uptake of flexible working</li> <li>- Use of parent/carer support offering</li> <li>- Participation in diversity networks, initiatives and events</li> </ul>	<ul style="list-style-type: none"> <li>- Enhanced employee sentiment regarding their own inclusion</li> <li>- Enhanced employee sentiment regarding inclusion at Dexus</li> <li>- Enhanced employee awareness of inclusion and diversity issues</li> <li>- Minimised discrimination and harassment</li> </ul>	<ul style="list-style-type: none"> <li>- Increased employee engagement</li> <li>- Increased retention</li> <li>- Improved sense of fulfillment at work</li> <li>- Customer NPS</li> <li>- Team engagement</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced employee turnover costs and associated morale challenges</li> <li>- Enhanced employee productivity</li> <li>- Reduced risk of compliance breaches</li> </ul>



Thriving People impact map (continued)

Activities	Outputs	Employee outcomes	Employee benefit	Dexus benefit
<b>Health and wellbeing</b>				
<ul style="list-style-type: none"> <li>- Safe &amp; Well program</li> </ul>	<ul style="list-style-type: none"> <li>- Employee uptake of flu vaccines, and other offers</li> <li>- Employee access to fresh food</li> <li>- Crisis/stress management support</li> <li>- Employee awareness of mental wellbeing tools</li> <li>- Employee participation in fitness activities</li> <li>- Access to Employee Assistance Programs</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced incidents of flu</li> <li>- Increased employee consumption of fresh food</li> <li>- Improved employee physical fitness through sustained participation in fitness</li> <li>- Enhanced employee confidence regarding mental health</li> </ul>	<ul style="list-style-type: none"> <li>- Increased employee engagement</li> <li>- Reduced absenteeism</li> <li>- Improved employee health and wellbeing metrics</li> </ul>	<ul style="list-style-type: none"> <li>- Reduced employee turnover costs and associated morale challenges</li> <li>- Enhanced employee productivity</li> <li>- Increased customer retention</li> <li>- Increased competitive advantage through enhanced capabilities</li> </ul>

# 7.0 Enriched Environment

**An efficient portfolio that minimises our environmental footprint through optimizing the use of resources and considers its surroundings.**

## 7.1 Overview

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.

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.

The boundary for these issues encompasses all properties within the Dexus group portfolio, with impacts felt across occupants and visitors, as well as local communities and habitats.

## 7.2 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.

Publicly available policies are available at [www.dexus.com](http://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)
- 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 & Wellbeing Statement | Environmental Management System | Sustainable Procurement Policy | Supplier Code of Conduct

### 7.3 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

### 7.4 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.

### 7.5 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 plans to assist and prioritise projects that maximise operational performance and reduce resource consumption. Asset plans 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 customer's comfort.

We implement viable projects identified and aligned with a Strategic Improvement Plan within 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 Dexu activities include:

- Construction and demolition waste from development projects
- Operational waste from the operation of buildings and associated with property usage by customers.
- Fit-out waste generated when de-fitting tenancies.
- Wastewater

### Construction waste

Dexu-owned construction sites are wholly managed by third-party contractors.

Dexu does not have operational control of these sites and thus does not report on construction waste. At most sites, we require contractors to adopt principles of the 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

Dexu 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 Dexu or at Dexu assets is managed in accordance with the Dexu Environmental Management System. Dexu does not transport solid or liquid hazardous waste (as defined as hazardous under the Basel Convention Annex) from one location to another for treatment.

### Biodiversity

Biodiversity risk exposure is reviewed during the due diligence process for new acquisitions and within periodic valuations. Given the location of our developments primarily in urban and brownfield sites, there is limited exposure to biodiversity risks and opportunities for biodiversity enhancement. Risk exposure typically extends to our industrial portfolio where sites may be greenfield or may be situated close to waterways.

Our Biodiversity Policy focuses on protecting and enhancing biodiversity in and around our properties. We aspire to have a net positive impact on biodiversity and have applied an approach to avoid, minimise, restore,

and offset adverse biodiversity impacts within its properties. This includes making buildings and their surrounds a place for native flora and fauna to reside, and a place for people to enjoy.

Biodiversity is addressed in conjunction with the Green 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.



## 7.6 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:** Property risk assessments (including and not limited to confined space, height safety, and plant risk assessment), and façade audits.

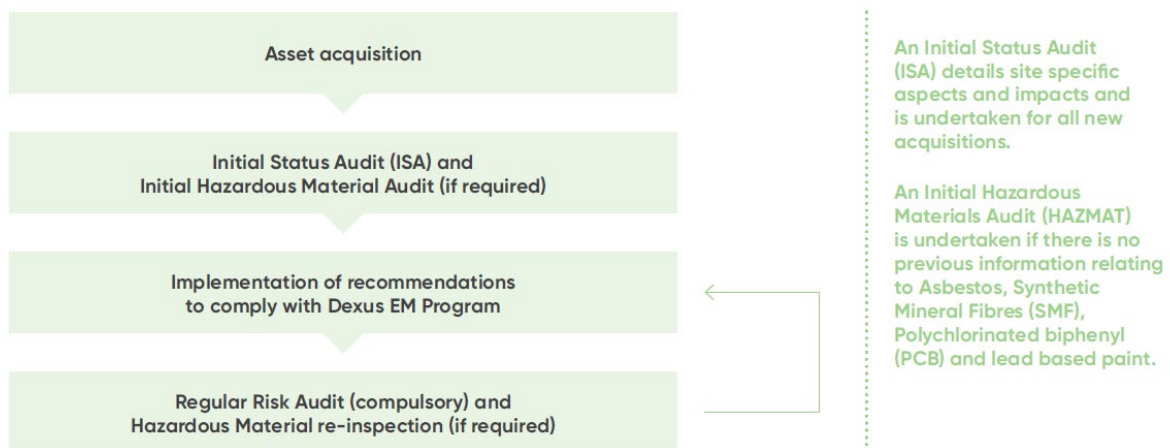
- **Environmental:** hazardous materials review, initial site audit, site re-inspections, certification of environmental management system to international standard ISO 14001
- **Security:** security risk assessment, external security review
- **Insurance risk:** underwriting assessment

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 form 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.

## 7.7 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 environmental 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.
- Meter data: FMs use interval and sub-meter data for finer granularity.
- 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 Dexu and its managing agents.
- Monthly reporting of NABERS ratings activity and tracking targets
- Monthly review of energy and water billing data and investigation into adverse consumption trends
- Quarterly Board ESG Committee progress updates

We measure our success in environmental performance in the following ways:

- Completion of commitment milestones
- Achievement of targets
- Feedback from customers and employees
- Awards and external recognition
- Inclusion and rankings within sustainability and leadership indices
- Benchmarking against leading industry 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
<b>Energy efficiency</b>		
Maximise portfolio energy efficiency	<ul style="list-style-type: none"> <li>Energy intensity (MJ/sqm)</li> </ul>	<ul style="list-style-type: none"> <li>Better utilisation of natural resources accounting for portfolio changes</li> <li>Reduced energy costs</li> </ul>
<b>Water consumption and efficiency</b>		
Target Australian best practice in building water performance	<ul style="list-style-type: none"> <li>NABERS Water portfolio star rating</li> <li>Water consumption</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in use of potable water and better utilisation of water on site</li> <li>Reduced water management cost</li> </ul>
<b>Waste management</b>		
<p>Maximise data collection coverage across office and retail portfolio.</p> <p>Increase recycling rate and reduce the percentage of waste sent to landfill across office and retail portfolio</p>	<ul style="list-style-type: none"> <li>NABERS Waste portfolio star rating</li> <li>De-fit waste resource recovery rate target of 80%</li> <li>Waste data coverage = Percentage of total office and retail lettable area with waste data</li> <li>Waste diversion (%) = total recycled waste / (total recycled waste + waste to landfill)</li> <li>Waste to landfill intensity = total waste to landfill / total office and retail lettable area with waste data</li> </ul>	<ul style="list-style-type: none"> <li>Understanding of Dexus waste management impacts</li> <li>Reduced volumes of waste sent to landfill and associated avoided greenhouse gas emissions.</li> <li>Diverted materials available for reuse, repurposing or recycling, reducing reliance on new raw materials.</li> <li>Reducing waste management cost</li> </ul>
<b>Biodiversity</b>		
Net positive impact and have integrated biodiversity management within the business	<ul style="list-style-type: none"> <li>Green Star rating of ecological value/ nature credits for new developments</li> <li>Biodiversity KPIs/SLA in landscaping contract</li> <li>Investments in 'nature-based' carbon credit offsets</li> </ul>	<ul style="list-style-type: none"> <li>Protect and promote local ecology, enhancing ecosystem productivity and agriculture, and maintaining ecological diversity</li> </ul>

## 8.0 Climate action

**Maintaining a resilient portfolio that is positioned to thrive in a climate-affected future.**

### 8.1 Overview

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.

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.

### 8.2 Climate resilience strategy

Dexus's climate change resilience strategy involves:

1. **Reducing 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. **Robust 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

<p><b>Reducing our impact</b> through decarbonisation, energy efficiency and renewable energy</p>	<p><b>Adapting to climate change</b> Mitigating physical and transition risks relevant to our properties, people, and operations, and leveraging climate change- related opportunities</p>	<p><b>Influencing our value chain</b> by engaging customers and suppliers to reduce climate impacts, and engaging other key stakeholders</p>
<p><b>Mitigating our contribution to climate change</b> Achieving and maintaining net zero Scope 1 &amp; 2 emissions:</p> <ul style="list-style-type: none"> <li>– through energy efficiency and renewable energy and minimal offsets</li> <li>– Climate resilient building technology: preparing our portfolio for a low carbon future.</li> <li>– Climate resilient developments: integrating life cycle thinking and net zero emissions targets into the design and development of city- defining properties and precincts</li> </ul>	<p><b>Adaptations to enhance resilience</b></p> <ul style="list-style-type: none"> <li>– Climate resilient operations: addressing physical and transition risks at the property level.</li> <li>– Climate resilient transactions: considering climate-related issues in transaction due diligence.</li> <li>– Climate resilient research: tracking environmental, social, economic, and political factors that could influence our resilience</li> </ul>	<p><b>Lifting industry practice and unlocking opportunities</b></p> <ul style="list-style-type: none"> <li>– Engaging with customers to adopt a whole building approach.</li> <li>– Adopt a life-cycle approach and net zero emissions targets in new developments (NABERS Energy and Green Star commitments)</li> <li>– Procuring for a low carbon supply chain</li> </ul>

The strategy is supported by a robust climate governance approach to support a culture that understands and appropriately acts on climate- related issues at board and management levels.

Our climate resilience strategy responds to a range of climate-related issues that have been identified through our scenario analysis and risk management processes over the years, as described below. Our view of

material climate-related issues is updated regularly based on research, evaluation of our climate resilience actions, and additional scenario analyses.

### Dexus's material climate-related issues across time horizons

Short term (0 – 2 years)	Medium term (2 – 7 years)	Long term (7 – 15 years)
<ul style="list-style-type: none"> <li>– Day-to-day acute physical risks to properties from climate-related events</li> <li>– Energy price volatility</li> <li>– Carbon offset pricing volatility</li> <li>– Integrate climate-related considerations into financial and operational planning and annual budgets.</li> <li>– Requirement to integrate climate-related issues and scenario analyses into transactions due diligence and development design processes.</li> <li>– Increasing costs of conventional waste management</li> <li>– Health and safety impacts at our assets</li> <li>– Growing customer and investor demand for sustainable products</li> <li>– Existing and emerging technology that can improve the efficiency of building operations</li> </ul>	<ul style="list-style-type: none"> <li>– Rise of peer-to-peer energy trading across decentralised energy networks</li> <li>– Introduction of carbon pricing schemes or changes to regulations</li> <li>– Increased demand for electric vehicles</li> <li>– Market demands for of circular economy waste management.</li> <li>– Potential policy shocks following increasing severity of physical climate impacts.</li> <li>– Demands to reduce embodied carbon across development and capital works projects.</li> <li>– Change in investor expectations and divestment away from business that do not articulate a clear strategy for addressing climate change risks</li> </ul>	<ul style="list-style-type: none"> <li>– Stranded asset risk (e.g. uninsurability, ability to lease/sell, capital market risk, excessive costs of adaptation/ remediation)</li> <li>– Sea level rise and other chronic physical risks (such as rising mean temperature, heat stress and water stress)</li> <li>– Changes to social and demographic makeup of cities because of migration</li> <li>– Ability of supply chain to effectively address climate-related impacts.</li> <li>– Requirements to support communities impacted by climate change.</li> <li>– Activation of climate tipping points create fundamental changes to operating environments</li> </ul>



### 8.3 Climate action management framework

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.

<b>Climate action management framework</b>		
<b>Dexus Board</b>		
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		
<b>Board ESG Committee</b>		<b>Board Risk Committee</b>
Oversight of implementation of the Dexus Sustainability Approach, including its approach to addressing climate-related issues, and delivery of the group’s environmental and sustainability initiatives and commitments, including performance, challenges, and opportunities		Reviews management action to address risk tolerances exceeding measures set out in the Dexus Risk Appetite Statement, including those relating to climate change
<b>Group Management Committee (GMC)</b>		
Leads and monitors the delivery of carbon reduction and climate resilience activities across the group		
<b>Corporate Executive Committee (CEC)</b>		
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		
<b>Climate Resilience Working Group</b>		
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		
<b>Sustainability team</b>	<b>Risk team</b>	<b>Property Executive Committee; Dexus/CBRE Strategic Management Committee</b>
<ul style="list-style-type: none"> <li>– 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.</li> <li>– Reports annual energy and emissions in line with the National Greenhouse and Energy Reporting Act 2007 (NGER Act).</li> </ul>	<ul style="list-style-type: none"> <li>– Supports the execution of the group’s Risk Management Framework which includes Dexus’s risk appetite for ESG, including climate change, and the inclusion of climate as a key risk.</li> <li>– Responsible for Dexus’s Environmental Management System that is certified to ISO 14001</li> </ul>	<ul style="list-style-type: none"> <li>– Operational accountability for managing climate-related issues, with support from the Sustainability and Risk teams</li> </ul>

### 8.3 Climate action management framework continued

The Board ESG Committee complements the work of the Board Risk Committee on climate-related issues because of the inclusion of climate change in Dexus's Risk Appetite Statement and on Dexus's key risk register. Climate-related issues are considered as one of several risks and opportunities that guide decision making in line with Dexus'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 Dexus's strategy and outlook. As climate change is a key strategic risk to Dexus with potential impacts over the medium to long term, it is actively reviewed and managed within Dexus's Risk Management Framework.

Climate-related issues are incorporated into the group's operations through integration of the Dexus 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 Dexus, 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 Dexus 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 Dexus's commitment to managing climate-related issues.

This includes Dexus'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.

### 8.4 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.

#### Climate risk management

We use qualitative 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 Dexus's approach
Representative Concentration Pathway (RCP) 8.5 (Intergovernmental Panel on Climate Change)	Used to assess property physical risk exposure and identify likely high impact climate-related outcomes, including the magnitude and specific locations where they are likely to occur. The outcomes inform Dexus's acquisition strategy and physical property risk management activities.
Science Based Targets initiative sectoral decarbonisation trajectory using IEA 2°C scenario (International Energy Agency)	Used to inform energy use and price modelling out to 2030, with comparison against sector decarbonisation required to align with a 2°C warming trajectory, to support the development of Dexus's target to achieve net zero emissions.
Shared Socioeconomic Pathways (Intergovernmental Panel on Climate Change)	Used to define plausible trajectories of global warming within the scenarios developed for Dexus's Towards Climate Resilience report
Inevitable Policy Response, Forecast Policy Scenario (Principles for Responsible Investment)	Incorporated into the "Delay and disruption" scenario within Dexus'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 Dexus Climate Scenario Analysis Supplement, available at <a href="http://www.dexus.com/sustainability-reporting-library">www.dexus.com/sustainability-reporting-library</a> .

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.

## 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 56) 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 elevated 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 has 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 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.

We also conducted natural catastrophe loss modelling using the insurance industry catastrophe loss and exposure models AIR Touchstone v9.0 and Risk Frontiers. The modelling quantifies the potential economic loss associated with natural catastrophes and this analysis assists Dexus in assessing the suitability of its current insurance limits, which will assist both Dexus and its insurers with stability of access to Natural Hazard insurance cover.

These findings are 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 believe that ambitious targets lead to bold actions and the quest for innovative solutions. Our net zero emissions target has been verified by the Science Based Targets initiative as consistent with the effort required to limit global temperature increases to below 1.5°C.

Below is a list of climate-related metrics and targets that the business tracks, monitors and regularly discloses:

Metrics	Commitments and targets
<ul style="list-style-type: none"> <li>– <b>Total carbon emissions:</b> Track total scope 1 &amp; 2, plus scope 3 emissions from energy, water &amp; wastewater, waste and recycling and corporate travel and consumables for evaluating overall portfolio impacts of Dexus’s managed assets.</li> <li>– <b>Carbon footprint:</b> Track corporate carbon footprint which equates to total scope 1,2 &amp; 3 emissions for voluntary offsetting of Dexus’s management operations under Australia’s Carbon Neutral Program</li> <li>– <b>Carbon intensity:</b> Track ongoing change in intensity for group office portfolio (to account for portfolio changes) against internal targets and external benchmarks.</li> <li>– <b>Emissions productivity index:</b> Track economic output that is derived from each tonne of greenhouse gas emissions generated</li> </ul>	<ul style="list-style-type: none"> <li>– 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.</li> <li>– Achieve net zero operational carbon emissions by FY22 across the group-managed portfolio</li> <li>– Reduce energy intensity by 10% across the group-managed office portfolio by FY25 against a 2019 baseline.</li> <li>– Source 100% of electricity for base building power needs from renewable sources from FY22 across the group-managed portfolio.</li> </ul>

## 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.

## 8.5 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.

### 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 and fuel switching 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 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 achieved Climate Active certification as an organization across an expanded reporting boundary which now includes our managed property portfolio, and in addition have commenced certifying selected properties via the Climate Active Carbon Neutral Standard for buildings.

## 8.6 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.

## Facility managers

Dexus directly manages the majority of 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.



## Industry collaboration

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,
- Dexus representatives sit on the Property Council of Australia's National Sustainability Roundtable
- Dexus publicly supports the World Green Building Council's Net Zero Carbon Buildings Commitment
- Dexus is an active member of the Climate Leaders Coalition

### Industry collaboration

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 measure our success in climate resilience in the following ways:

- Completion of commitment milestones
- Monitoring of environmental risk program
- Achievement of decarbonisation targets
- Reductions in management costs due to effective management of transition risks

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

Topic	Outputs	Impact
<b>Energy consumption and greenhouse gas emissions</b>		
Reduce like-for-like portfolio energy use and greenhouse gas emissions	<ul style="list-style-type: none"> <li>- Absolute energy consumption (GJ)</li> <li>- Absolute scope 1 and 2 greenhouse gas emissions (t CO<sub>2</sub>-e)</li> <li>- Source 100% of electricity for base building power needs from renewable sources across the Group-managed portfolio</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction in extraction and use of fossil fuels</li> <li>- Mitigation of climate change</li> </ul>
<b>Climate change impacts</b>		
Target Australian best practice	<ul style="list-style-type: none"> <li>- Reduce energy intensity by 10% across the Group-managed office portfolio by FY25 against a FY19 baseline.</li> <li>- Greenhouse gas emissions intensity (kg CO<sub>2</sub>-e/sqm) through focus on leading performance</li> <li>- Climate risk assessments and minimise exposure</li> </ul>	<ul style="list-style-type: none"> <li>- Lower greenhouse gas emissions in building energy and emissions performance</li> <li>- Mitigate climate change and effectively manage physical and transition risks</li> </ul>

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