

29 October 2008

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Dear Sir/Madam

DEXUS Property Group (ASX: DXS) Corporate Responsibility and Sustainability Report 2008

DEXUS Funds Management Limited, as responsible entity for DEXUS Property Group (DXS), provides a copy of our Corporate Responsibility and Sustainability Report 2008.

For further information, please contact:

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Yours sincerely



Tanya Cox
Company Secretary



DEXUS Property Group
Corporate Responsibility and Sustainability Report 2008

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Report scope

This report is the DEXUS Property Group's fourth published Corporate Responsibility and Sustainability (CR&S) report. It represents an annual review of the Group's sustainability practices and achievements for the 12 months ending 30 June 2008. This report is also available on our website: www.dexus.com

This report covers the operations of DEXUS Property Group and our third party funds management business in our office, industrial and retail sectors in Australia and New Zealand, and where possible our property portfolios in the United States and Europe.

It also covers the employer practices of DEXUS Holdings Limited and, wherever statistics are available, for DEXUS Retail Property Services (DRPS).

All numbers are as at 30 June 2008, unless otherwise stated.

For the second year running, our CR&S report follows the Global Reporting Initiative (GRI) G3 framework covering economic, environmental and social performance. We have developed a matrix to demonstrate and transparently explain how our activities and programs meet the G3 standards, see pages 48 to 56. For more information on GRI visit www.globalreporting.org

If you have any questions relating to this report, or our CR&S activities, please contact us at crs@dexus.com or visit www.dexus.com/sustainability

Report Application Rating

This report is produced in accordance with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines.

As part of our commitment to continually improve our CR&S reporting, we have prepared this year's report to meet a self-declared "A" application level.

		2002 in Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured	✓	Report Externally Assured
	Third Party Checked							
Optional	GRI Checked							

To achieve a reporting application level of "A" we are required to report on all core G3 performance indicators and provide an explanation of any core indicator on which we have not reported.

The GRI contains globally applicable guidelines for sustainability reporting. Please refer to pages 48-56 of this report to view these guidelines.

CEO AND CHAIRMAN STATEMENT

WE ARE PLEASED TO REPORT THAT THE 07/08 FINANCIAL YEAR HAS SEEN FURTHER PROGRESS IN OUR CORPORATE RESPONSIBILITY AND SUSTAINABILITY (CR&S) PROGRAMS.

We also continued to see sustainability gain further momentum in both the corporate and public sectors and growing public awareness is being combined with greater political commitment to CR&S. The property industry is no exception and in 2008 sustainability is increasingly becoming a market standard.

At the top end of the market, and in particular in premium office space – where DEXUS leads the way – we are seeing increasing tenant demand for sustainable buildings and leading edge green features. For example at 123 Albert Street in Brisbane, our commitment to achieving a 6 star Green Star building was a crucial component in securing our anchor tenant – Rio Tinto – who share our vision for a sustainable building and fit-out.

In this our 10th year of sustainability programs, we have continued to roll-out new portfolio-wide initiatives to improve the performance of our buildings step by step, in line with the individual asset strategies, ensuring our sustainability programs are tailored to each property whilst enhancing its economic viability and investor returns.

At DEXUS we are committed to incorporating world's best practice sustainable design into our developments and have continued to advance our two new premium grade developments: 1 Bligh Street in Sydney and 123 Albert Street in Brisbane. As a major owner, manager and developer of quality property we are uniquely positioned to drive the specifications and deliver operationally superior sustainable buildings.

We are also well advanced in future-proofing our existing stock – a key challenge for us all in the property industry. At DEXUS we have focused our future-proofing programs in the office sector as this sector presents the greatest opportunity for improving resource efficiency and reducing carbon emissions.

In addition, as the largest owner and manager of office properties in Australia, we feel it is appropriate that we concentrate our efforts here. We have also commenced programs in our retail and industrial portfolios.

Making a difference

The recent Garnaut report and the Green Paper released by the Government in July 2008 reported that buildings and their occupants are the source of 23% of Australia's greenhouse emissions. Clearly action in our industry can make a real difference to the Australian and international carbon footprint.

At DEXUS we are reducing carbon emissions by determining our carbon footprint, reducing resource consumption and implementing energy efficiency projects across our portfolio and have implemented a new reporting and data capture system to measure operational performance against targets.

The DEXUS difference to sustainability is that we take a group-wide approach and seek to improve our social, economic and environmental performance.

Our key achievements this year are detailed in the following pages, but we are particularly proud of the following:

Our corporate approach

- Set up our new CR&S Committee and associated working groups to further develop and refine our CR&S strategy
- Increased the transparency of our reporting by aligning our CR&S Reports to GRI (G3) Global Reporting standards
- Launched our new Vision and Values program

Our communities

- Rolled out new tenant surveys in our Australian office and industrial portfolios to better understand and improve the quality of our service delivery
- Provided more than \$300,000 in financial and in-kind contributions to registered charities and not for profit community groups



Our people

- Included CR&S measures in our performance management objectives
- Completed our second employee survey, achieving stronger results
- Increased our ratio of women in executive management from 14% to 40%

Our properties and our environment

- Made considerable progress in our office portfolio by completing the Green Profiling and Green Projects phases of our Green Building & Resource Management System
- Responded to CDP6, our third year of reporting in the international Carbon Disclosure Project

Looking forward

In these more uncertain economic times, it is critical to future-proof our properties to weather the challenges ahead. We are actively ensuring the portfolio maintains its high quality and continues to attract tenants, both in terms of building features and as a result of our reputation and commitment to operating with the highest levels of ethics, integrity and social responsibility.

We are also starting to see competitive pressures in this area, which are driving new levels of innovation and as quality supply increases, we anticipate sustainability features to be a key differentiating factor – particularly at the premium end of the market. A commitment to sustainability is a long-term strategy, and one we certainly believe at DEXUS sets us apart from our peers.

Similarly, we anticipate a flight to quality in management, where active portfolio management and prudent capital management are key and on both these fronts DEXUS is well positioned for the future.

We look forward to reporting back to you on our progress in next year's CR&S report.

For any queries or feedback on our CR&S activities, please email us at crs@dexus.com

Christopher T Beare
Chair

Victor P Hoog Antink
Chief Executive Officer

KEY ACHIEVEMENTS FOR 2008

OUR CORPORATE APPROACH

- › Continued to develop and refine our CR&S strategy including:
 - Setting up the CR&S Committee and associated working groups
 - Defining CR&S performance objectives and action plans for the Group and across our operating sectors – office, industrial, retail and corporate
- › Launched our new Vision and Values program
- › Maintained listing on FTSE4Good Index and obtained new listing on the Australian SAM Sustainability Index (AuSSI)
- › Increased the transparency of our CR&S Reporting via aligning our 2007 CR&S Report to GRI (G3) Global Reporting Standards



OUR PEOPLE

- › Launched our new DEXUS Values Awards Program
- › Included CR&S objectives as key performance indicators for our people
- › Extended our long-term incentive plan to all our people
- › Stronger results achieved in our second Employee Opinion Survey
- › Increased our ratio of women in executive management from 14% to 40%



OUR PROPERTIES AND OUR ENVIRONMENT

- › Completed the Green Profiling and Green Projects phases of our Green Building and Resource Management System (GBRMS) in our office portfolio
- › Continued to integrate sustainability features into our development projects notably at 1 Bligh Street in Sydney, 123 Albert Street in Brisbane and US developments
- › Responded to CDP6, our third year of reporting in the international Carbon Disclosure Project
- › Improved the capture and coverage of our environmental performance data
- › Achieved recognition of our response to climate change through inclusion in the Goldman Sachs JBWere Climate Change Disclosure Leadership index
- › Offset emissions from our business air travel and major corporate events
- › Rolled out waterless urinals project to selected office properties
- › Rolled out rainwater harvesting project and project landscaping guidelines to selected industrial estates

OUR COMMUNITY

- › Established our Community Engagement Working Group
- › Development of our Community Engagement Strategy
- › Commenced tenant surveys across our office and industrial portfolios
- › Contributed \$300,000 to charitable and not for profit groups in Australia and New Zealand



OUR CORPORATE APPROACH



View from Southgate Complex, Melbourne



AT DEXUS OUR MANAGEMENT APPROACH TO CR&S IN OUR DAY-TO-DAY CORPORATE OPERATIONS INCLUDES:

- **Integrating sustainability** and resource management best practice into our workplace and throughout our operations, making it core to our business culture
- **Demonstrating leadership** in corporate responsibility through maintaining the highest standards of corporate governance, ethics and responsibility in all facets of our operations, at all times
- **Investing in sustainability** to ensure our properties and services meet market demand now and in the future without compromising economic viability
- **Providing transparent** reporting of our CR&S activities, supported by external rating recognition where appropriate



ABOUT DEXUS

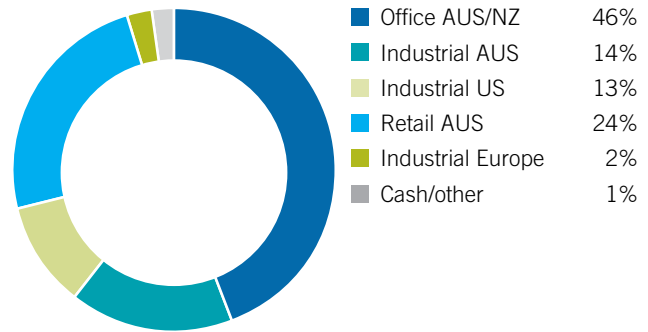
DEXUS is one of Australia's largest diversified property groups and a leading owner, manager and developer of world-class office, industrial and retail properties.

The Group owns and/or manages more than 260 office, industrial and retail properties in Australia, New Zealand, the United States and Europe, valued at \$15.3 billion as at 30 June 2008.

Our team has a wealth of experience in asset, property, development and funds management and we provide property services to more than 5,000 tenants around the world, primarily major corporate and government organisations. We offer our investors access to a world-class property portfolio managed by our expert team.

Our listed property portfolio, DEXUS Property Group, is an ASX top 60 listed entity and is one of the largest Listed Property Trusts in Australia. DEXUS Property Group comprises \$8.9 billion of direct property assets in Australia, New Zealand, the United States and Europe.

GROUP MANAGED ASSETS AS AT 30 JUNE 2008



Our \$6.4 billion funds management business manages and develops office, industrial and retail properties on behalf of third party investors. This includes the DEXUS Wholesale Property Fund (DWPF), two property syndicates and two blue-chip private client mandates, which collectively make up one of the biggest third party fund management businesses in Australia.

KEY ACHIEVEMENTS

- › Continued to develop and refine our CR&S strategy including:
 - Setting up the CR&S Committee and associated working groups
 - Defining CR&S performance objectives and action plans for the group and across our operating sectors – office, industrial, retail and corporate
- › Launched our new Vision and Values program
- › Maintained our listing on FTSE4Good Index and obtained a new listing on the Australian SAM Sustainability Index (AuSSI)
- › Increased the transparency of our CR&S reporting



Members of the DEXUS Executive team at 321 Kent Street, Sydney

Financial highlights

In the year ending 30 June 2008, the Group continued to deliver a strong financial performance against a background of volatile financial markets due to the quality of our portfolio combined with our focus on active portfolio management and our prudent and conservative financial management approach.

The listed entity – DEXUS Property Group, delivered earnings from operating activities of \$498 million resulting in a distribution of 11.9 cents per stapled security, a 5.3% increase on last year's distribution.

During the year DEXUS Property Group's third party funds management business increased by \$1.8 billion or 39% to \$6.4 billion comprising the DEXUS Wholesale Property Fund, two property syndicates and two direct property mandates.

Further information on DEXUS Property Group's financial performance can be found in the 2008 Annual Report and at www.dexus.com

Our vision

At DEXUS our vision is to be a leading, diversified property owner, manager and developer in Australia and selected international markets. We pride ourselves on providing world-class property solutions and delivering service excellence to our tenants. We seek to deliver long-term returns for our investors and optimum outcomes for our employees and the wider community.

A key part of this vision is our commitment to be a market leader in corporate responsibility and sustainability, both in the property sector and in the communities in which we operate.

This vision is supported by our ability to understand risks, identify opportunities and develop best practice management programs, which exceed the environmental, social and economic requirements of the properties we own and manage, and deliver the highest levels of corporate governance, ethics and integrity in the services we provide.

Our values

At DEXUS our corporate values underpin the way we do business. Ultimately, our values provide us with a common focus and define our culture.

Our corporate values were originally derived when the Group was part of Deutsche Bank. In February 2008, when we acquired the remaining 50% interest in DB RREEF Holdings and rebranded to DEXUS we took the opportunity to review our values, to ensure they fully represented our culture and ethos. Our new values are Respect, Excellence, Service, Integrity, Teamwork and Empowerment.

Our CR&S strategy

At DEXUS, our strategic approach to CR&S is group wide and holistic. We aim to address the environmental, social and economic requirements of our properties while meeting the needs of our key stakeholders – our tenants, our investors, our people and the wider community.

At the commencement of each section of this CR&S Report we have outlined our management approach in that area, as well as highlighting our key achievements and providing a summary of our future plans.



Embedding CR&S into our business

We are committed to ensuring that CR&S is a constant and visible consideration in all aspects of our business by embedding it into our culture and influencing our stakeholders.

We seek to achieve sustainable outcomes through ongoing stakeholder engagement, which in the last year included:

■ Our people

We continued to reinforce CR&S as an integral part of our business through employee communications and, for example, CR&S measures are now included in our people's performance management objectives. In addition we established a number of new management/employee groups to expand our focus and activity in this area

■ Our community

We created a new Community Engagement Working Group to achieve greater community engagement, aligned to our business model and values

■ Our tenants

We provided our tenants with greener options in our properties and developments and engaged our tenants through our relaunched tenant surveys

■ Our investors

We improved the standards and transparency of our reporting, including the alignment of our 2007 CR&S Report to the GRI G3 framework. Our 2007 Annual Report achieved an award from the Australasian Reporting Association and we also achieved external rating recognition of our CR&S commitment through our inclusion in the FTSE4Good, Australian SAM Sustainability Indices. In addition both Citigroup and Goldman Sachs JBWere rated our response to climate change favourably.

DEXUS STAKEHOLDER GROUPS



CR&S management structure

In December 2007, we established our cross-divisional CR&S Steering Committee to oversee the development and implementation of strategy, procedures and systems to progress our sustainability programs and enable us to respond to emerging CR&S issues. This committee reports to our Executive Committee and comprises senior management including the Chief Operating Officer and the Sector Head of each of our business units.

Our CR&S management structure was further strengthened in 2008 with the formation of two working groups reporting into the CR&S Committee; Our Workplace and Our Community Engagement Working Groups.



Our Community Engagement Working Group

The objective of this group is to develop our strategic approach to investing in and supporting our communities. The group is responsible for the integration of community involvement into our business model, making it core to our business culture.

Our strategic approach includes:

- Active involvement and investment in the communities in which we operate
- A coordinated approach to community engagement ensuring mutual benefit
- Employee involvement and ownership of community programs

The group includes cross-divisional representation from Human Resources, Facilities Management, Asset Management, Finance, Business Operations, Building Services and Marketing & Communications.

Our Workplace Working Group

In recognising the importance of reducing the environmental footprint of our own operations, we have established a Workplace Working Group. This group is responsible for the integration of sustainability and resource management principles into our corporate offices around Australia.

Our strategic approach includes:

- Improving our direct resource consumption (energy, water, waste, paper)
- Identifying areas to improve our environmental performance, guided by external benchmarks including NABERS Energy and Green Star
- Integrating sustainability best practice into our workplace
- Engaging and educating our people in sustainable practices and promoting our achievements

The group includes cross-divisional representation from Sustainability, Facilities Management, Property Management, Business Operations and Marketing & Communications.



DEXUS Head Office, 343 George Street, Sydney



Benchmarking our performance

In addition to internally benchmarking our performance we look to external benchmarking initiatives for an independent assessment of our performance against others in the property industry.

In 07/08 we participated in the following indices and rating systems:

- FTSE4Good Index
- Australian SAM Sustainability Index (AuSSI)

We maintained our listing for the second year on the FTSE4Good Index and obtained a new listing on the Australian SAM Sustainability Index (AuSSI).

The FTSE4Good Index was launched in 2001 and was designed to measure the performance of companies that meet globally recognised corporate responsibility standards and provide an index that facilitates investment in such companies.

The AuSSI was launched in early 2005 to track the financial performance of Australia's sustainability leaders. Based on a 'best-in-class approach', the index comprises the top companies in terms of economic, environmental and social criteria from each of the 21 industry clusters. It applies the same general and industry specific criteria as the globally recognised Dow Jones Sustainability Indices, which we intend to apply for in 2009.

■ Carbon Disclosure Project (CDP)

CDP is an international project established in and opened to Australian and New Zealand companies listed on the S&P/ASX 100 and NZ 50 in 2006.

In 2008, we completed our third Carbon Disclosure Project (CDP) report as part of our ongoing commitment to transparent reporting, addressing the challenges of climate change and reducing our carbon footprint. This report (CDP 6) can be found at www.dexus.com

■ Green Star Environmental Rating System and NABERS

In 2007 we signed up to support the Green Building Council of Australia's (GBCA) Green Star Business Partnership and remain committed to benchmarking our performance using industry environmental rating tools such as Green Star and NABERS.

As one of the largest owners of office space in Australia, our aim is to achieve Green Star Ratings for all new properties in our office portfolio and to assess the environmental performance of our existing properties using the Green Star Office Existing Building Extended Pilot rating tool.

As new rating systems are developed for the retail and industrial sectors we will continue to trial these tools to support their development and market acceptance.

FUTURE PLANS

In 08/09, our focus will include:

- › Continuing to improve the quality and transparency of our CR&S Reporting
- › Continue our proactive participation in sustainability ratings and indices including:
 - CDP, FTSE4Good Index and the Australian SAM Sustainability Index (AuSSI)
 - Obtain listing on Dow Jones Sustainability Index



Courtyard, Governor Phillip Tower and Governor Macquarie Tower, Sydney

OUR PEOPLE



Members of the DEXUS team at 321 Kent Street, Sydney



AT DEXUS OUR MANAGEMENT APPROACH IS TO BE AN EMPLOYER OF CHOICE WHERE OUR PEOPLE ARE:

- **Engaged and enthusiastic** about our business, their development and delivering service excellence for our tenants and investors
- **Supported** in their learning and professional development
- **Offered appropriate reward and recognition** for their contribution to our business aligned with our vision, values and CR&S objectives
- **Offered an environment** that supports work-life balance and is free from discrimination and harassment
- **Provided with a culture** that encourages open communication and values respect, diversity, equal opportunity, excellence, teamwork, trust and integrity



OUR PEOPLE (continued)



Executive Committee at DEXUS House, 343 George Street, Sydney

Our people

At DEXUS, our people are our most important asset. The day to day success of our business is due to the dedication and expertise of our people. Whether it is sourcing, developing, leasing or managing our property portfolio, or working with our tenants, suppliers and corporate partners, our people are at the forefront of everything we do.

Working at DEXUS

Creating a harmonious and engaging workplace is integral to ensuring we attract and retain people of the highest calibre who are passionate about their work.

We are committed to providing an enjoyable and balanced working environment that supports diversity, equal opportunity, teamwork, excellence and integrity in all we do, while growing our capabilities individually and as an organisation.

Our state of the art head office overlooking Sydney's Martin Place has been designed to nurture our culture by reinforcing our commitment to open communication as well as sustainable workspaces that enhance our people's well-being. We refurbished the interior of our heritage building to offer large, open plan spaces with floor-to-floor connectivity via an internal staircase spanning three levels and innovative café and breakout spaces. The design maximises access to natural light and provides 100% fresh air supply through our chilled beam system.

The results from our employee opinion surveys show that our people highly value our head office workspace for which we continued to receive external recognition, achieving a finalist position in the AFR *Boss* magazines' Work Space awards in March 2008.

KEY ACHIEVEMENTS

- > Launched our new DEXUS Values award program
- > Included CR&S objectives as key performance indicators for our people
- > Extended our long-term incentive scheme to all our people
- > Stronger results achieved in our second employee opinion survey
- > Our ratio of women in executive management has increased from 14% to 40%

CASE STUDY

OUR SECOND EMPLOYEE OPINION SURVEY

In January 2008, we conducted our second employee opinion survey to measure engagement and receive feedback from our employees. Results were pleasing with the response rate again excellent at 70% (70% in 2007) and year on year increases achieved for almost all questions. Stand out results included:

- 91% are satisfied with DEXUS as an employer compared with 79% last year
- 93% would recommend DEXUS as an employer compared with 80% last year

The topics and questions from last year's survey were repeated this year to allow us to measure year on year progress. The top five improvements are shown in the adjacent table.

This year's results will again be used to shape our policies and practices to further improve employee satisfaction and engagement in 08/09.

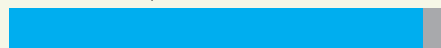
Would you recommend DEXUS as an employer?



Overall, how satisfied are you with DEXUS as your employer?



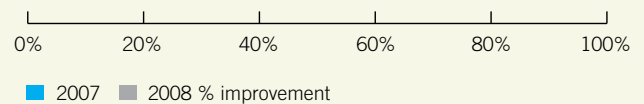
I feel that corporate communications within DEXUS have improved in the last 12 months



Morale in my team is high



I am proud to work for DEXUS



An open and engaging workplace

We believe that engaging our people in the business and in key initiatives such as corporate responsibility and sustainability is critical both to our success and to maintaining the highest levels of employee satisfaction and retention.

We continued to progress our internal communications through our monthly business updates, quarterly newsletters and active intranet. Our management culture encourages open communication and the exchange of ideas through a flat management structure, open door policy and open plan offices.

The importance we place on corporate responsibility and sustainability is reflected in our induction sessions and reinforced regularly at our business update sessions and through our performance management framework.

Over the past two years we have measured our people's engagement through an annual employee opinion survey. The results give us an insight into our people's work satisfaction and areas where we can improve our practices. The survey covers topics such as my role, my manager, leadership, training and communication. Employees may complete the survey anonymously and responses are collated by an independent party. See Case Study above.

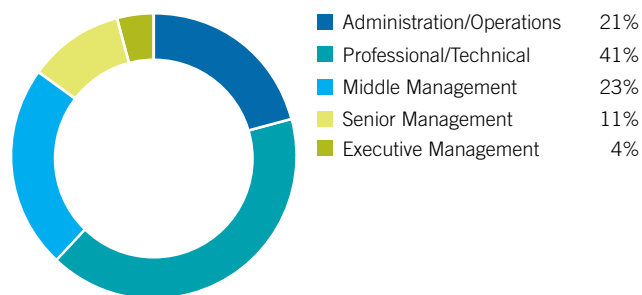
Engaging our team in business strategy

As part of our commitment to more actively engage our senior management team in the development of our business strategy, the Board and Executive Committee held a management retreat in March 2008 with approximately 30 key executives where business issues were identified and solutions developed for both individual business units and the Group as a whole. As a result, a series of initiatives were identified and project teams meet every 90 days to review progress and evaluate achievements.

Feedback from attendees was positive and we are pleased with the success of these off-sites. These offsites and subsequent 90 day review sessions are proving to be a powerful tool for engagement and business transformation, reinforcing our philosophy that management is fundamental and that all our people have an important contribution to make in shaping the future direction of DEXUS.

WE ARE COMMITTED TO PROVIDING AN ENJOYABLE AND BALANCED WORKING ENVIRONMENT THAT SUPPORTS DIVERSITY, EQUAL OPPORTUNITY, TEAMWORK, EXCELLENCE AND INTEGRITY

WORKFORCE BY EMPLOYMENT CATEGORY



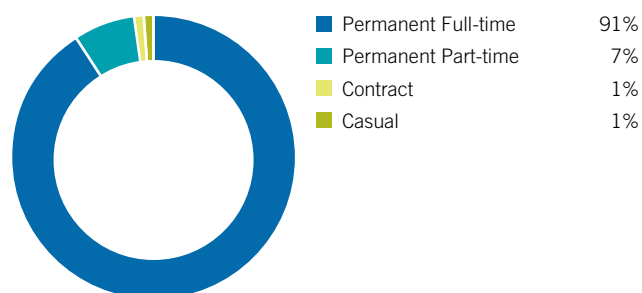
Flexibility and work-life balance

The health and wellbeing of our people is integral to our overall success. We are committed to the continual development of our flexible work policies and seek to work with our people, as individuals, to provide suitable flexible work opportunities.

As at 30 June 2008, 91% of our people worked full-time, while 9% were part-time or casual – an identical ratio to 2007.

In response to our people's desire for greater work-life balance, in May 2008 we removed the cap of 10 days from our purchase leave policy. Our people can now purchase an uncapped amount of additional annual leave each year, providing more flexibility and enabling them to enjoy a greater work-life balance.

WORKFORCE BY EMPLOYMENT ARRANGEMENT



Training, learning and professional development

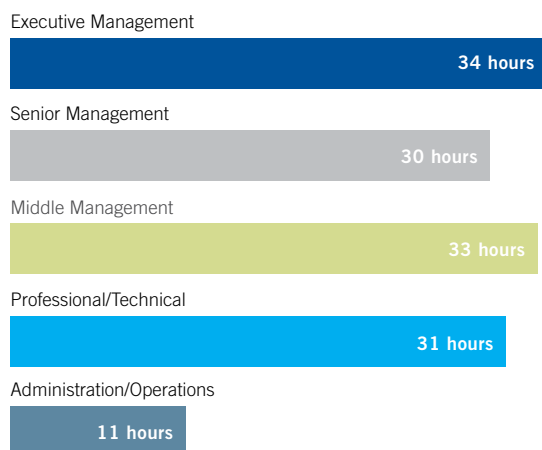
We support our people in their roles and encourage professional development to ensure our people have the most up-to-date industry knowledge and skills. All DEXUS employees are encouraged to undertake internal and external training each year, supported by a corporate training budget, and to take ownership of their professional development through the completion of annual personal development plans.

In addition, we have developed a series of tailored DEXUS Leadership and Management learning programs to address the training requirements of managers. Currently our people complete on average 28 hours training each year, the results of which are reported monthly to, and monitored by, the Executive Committee.

Our Study Assistance Policy provides an annual allowance for our people to undertake formal academic qualifications such as undergraduate and postgraduate university study and specialist programs provided by recognised educational institutions and industry associations. We have recently increased the flexibility of this policy to provide assistance for professional study in subjects not directly related to an employee's current role but aimed at the development of broader skills and knowledge and to facilitate future internal transfers and promotions.

We encourage our people to be members of at least one professional association relevant to their role. We also run training and information awareness events to improve employee understanding of key issues and business functions. In the area of sustainability and risk management, for example, we run annual Sustainability and Risk Management seminars for all our Australian and New Zealand property management teams.

AVERAGE TRAINING HOURS PER EMPLOYEE PER CATEGORY



Average training hours overall per employee: 28

Reward and performance

We continually review our remuneration framework to ensure we attract, motivate and retain highly talented people to deliver service excellence to our tenants and superior long-term returns to our investors.

Performance is assessed at six monthly intervals to ensure our people receive performance feedback against agreed objectives and to discuss training needs and career progression. Since November 2007 CR&S objectives have been included as a key performance indicator for all employees.

Our remuneration policy considers performance at an individual level as well as overall business results. Annual salary reviews are conducted to ensure our remuneration levels remain equitable and competitive with current market rates. All employees, who meet their performance management objectives are eligible to receive a cash bonus. We also offer a long-term incentive scheme to allow our people to share in our future growth and align the interests of our people with our investors.

In June 2007 we launched our Service Awards to reward 5, 10 and 20 years service. As at 30 June 2008, we had presented 56 awards in total, demonstrating employee satisfaction and longevity of service.

In June 2008, we also introduced a new Values Awards program to formally reward our people for living the DEXUS values and to showcase and celebrate our successes across the organisation.

Talent management and leadership planning

We undertake six-monthly reviews of the performance and potential of our people to ensure a continuous review of talent, promotion potential and succession plans for all roles.

During the year we also undertook an independent analysis of our leadership team's composition, structure, performance and potential. Incorporated into this analysis was a new process to support succession planning and talent management strategies for the leadership team. This process has resulted in improved governance around strategic succession planning, human capital risk management, talent management and leadership.

CASE STUDY

CAREER DEVELOPMENT AND FLEXIBLE WORK IN PRACTICE

At DEXUS we recognise that our people are the cornerstone of our success. We approach the career development of our people as a top priority and strive to ensure our people not only develop, but thrive.

Linda Smith, Head of Management Accounting, is a good example of how one of our team has grown their career with the company. When Linda started with the Group in 1988, it was in the earliest days of our corporate history at a time when the Group was part of the NSW State Superannuation Board (State Super). Since then, the company has grown from a single government body primarily located in NSW to an international property group listed on the ASX with over 270 employees and more than \$15 billion in funds under management. Just as DEXUS has grown and developed, so too has Linda.

“I was able to work part-time, initially for three days a week with the choice of days being flexible.”



Linda Smith, Head of Management Accounting with Michael Christensen, Head of Treasury

Employed as a Trainee Property Manager in the Property Investment team she was promoted to become a Property Manager and then moved over to the Finance division to become a Trust Analyst, then an Investment Analyst and most recently in late 2007 she was promoted to Head of Management Accounting.

During her rise to management, Linda has also succeeded in gaining a number of academic qualifications, including a Bachelor of Applied Science (Land Economics), a PCA Property Management Certificate and a FINSIA Graduate Diploma in Finance & Investment.

Linda says she has enjoyed growing with the business over the last 20 years.

“Over the last 20 years the company has changed considerably as a result of the changing market trends and conditions. In particular, the listing of the industrial and office portfolios in 1997/98 introduced thousands of new investors and consequently advanced our operations.”

While maintaining her management role, four years ago Linda also welcomed her son, Xavier, into the world, supported by our flexible work practices.

“At the time of my pregnancy I was able to structure a flexible leave arrangement with the majority provided as paid and unpaid maternity leave. Upon returning to work I was able to work part-time, initially for three days a week with the choice of days being flexible. I now work 4.5 days a week on a permanent basis. The morning or afternoon I don't work is spent with Xavier usually at Gymparoo or other group social activities where I can also participate in the fun and catch up with friends.”

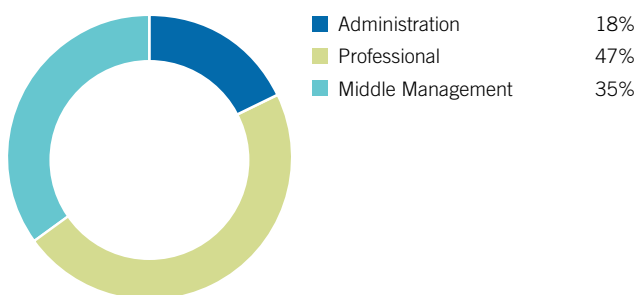
As Linda has done in her career, our intention is for our people to enjoy opportunities for career progression at DEXUS as well as flexible working environments.

Turnover

The overall annual employee turnover for the financial year ending 30 June 2008 was 23.71% which was down from 24.42% for the previous 12 months. Turnover by gender was 38% male and 62% female.

The breakdown of leavers by employment category is as follows:

PERCENTAGE OF ALL LEAVERS BY EMPLOYMENT CATEGORY



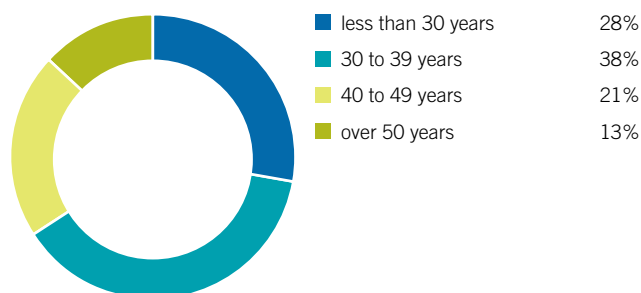
These figures are within the average range for the sector. While employee turnover is a constant feature of all business operations, we recognise that the property industry is a particularly dynamic sector and quality talent is always in demand. Consequently, we regularly monitor our Human Resources' policies and engagement programs and benchmark our remuneration and reward benefits against the market to retain and attract talented people.

Diversity and equal opportunity

We value an inclusive and diverse working environment and our aim is to attract and retain people who are of the highest calibre and have the skills required to carry out their role – regardless of age, disability, ethnicity, gender or religion. We are committed to providing a workplace where our people have an equal opportunity to succeed, without any form of discrimination or harassment.

We host a Compliance Induction session for all new employees which covers appropriate workplace behaviour. We have also implemented a formal training program for all our people who have recruitment and selection responsibilities to ensure selection decisions are free from bias and comply with EEO principles.

WORKFORCE BY AGE



EMPLOYMENT BY GENDER

Total workforce by gender



Professional/Technical and Administration/Operations



Middle Management



Senior Management



Executive Management



■ Female 2008 ■ Male 2008
■ Female 2007 ■ Male 2007

As at 30 June 2008, our overall team composition by gender was very similar to the prior year with 52% female and 48% male (53.5% and 46.5% as at 30 June 07). Importantly, we have increased the ratio of women in executive management from 14% to 40%.

Occupational health safety and liability (OHS&L) programs

At DEXUS we take our commitment to Occupational Health Safety seriously and have in place rigorous management programs to ensure our properties present an incident and injury free environment for our people, our tenants, our suppliers and contractors and the wider community.

Our Risk Management Committee (see committee structure diagram on page 10) has overall responsibility for OHS&L and we have two OHS&L systems in place; Corporate and Property.

Corporate OHS&L

All DEXUS people are required to undertake compulsory induction to OHS&L and receive further information in our Employee Handbook, ensuring they are fully aware of their responsibilities in this area. As part of our GRI reporting requirements we are pleased to confirm that our rate of incidents, injury and lost days continues to be excellent with no major injuries recorded for the full-year period.

Property OHS&L

We encourage best practice risk management processes throughout our operations and are pleased to report that one of our key properties, 240 St George's Terrace, achieved a prestigious OHS&L award (see case study on page 38). Our property OHS&L management approach is detailed on page 38.



FUTURE PLANS

In 08/09 our focus will include:

- › Fostering a learning culture by promoting the sharing of knowledge across our sectors and teams, and encouraging collaboration throughout our business
- › Reviewing our talent stream and identifying opportunities for our people to grow and develop
- › Encouraging cross divisional collaboration through engagement of the wider management group in business planning processes and culture change activities

Above: Members of our Industrial team at Pound Road West, Dandenong, VIC

OUR COMMUNITY



Smithfield Shopping Centre, Cairns Northern Beaches, QLD



AT DEXUS OUR MANAGEMENT APPROACH TO OUR COMMUNITY IS TO ACHIEVE OPTIMAL OUTCOMES FOR OUR KEY STAKEHOLDER GROUPS:

For our tenants:

- › Provision of quality workplaces
- › Service excellence and a proactive property management approach
- › Solutions to future-proof our existing properties
- › A partnership approach to deliver leading edge sustainable features in our new developments

For our investors:

- › Maximising returns
- › Managing risks
- › Investing in sustainability to future-proof our business
- › Continually improving the transparency and standards of our reporting

For our suppliers:

- › Partnership with companies who share our commitment to sustainability, fair contracting principles and service excellence
- › Procurement of environmentally sound property products and consumables to minimise our environmental impact

For our wider community:

- › Minimising the environmental impact of our operations
- › Coordinated, active involvement and investment in the communities in which we operate
- › Encouraging the involvement and ownership of community programs by our people
- › Operating to the highest levels of corporate governance, ethics and integrity at all times



The DEXUS People's Choice Charity – the Royal Flying Doctor Service in action

Engaging our tenants and supporting community programs

As one of the largest property groups in Australia, we provide property services to more than 5,000 tenants around the world, primarily major corporate and government organisations.

As part of our ongoing tenant engagement activities, we launched a new DEXUS tenant survey program in 2008 to give our customers an opportunity to provide feedback on the quality of our buildings and the services we provide. Our aim is to gain a greater depth of understanding of our tenants so we can continue to deliver service excellence and ensure the facilities in our high quality portfolio match our tenants needs, now and into the future.

So, in addition to regular contact with our property management teams through day-to-day operations and regular on-site communications, our survey is being rolled out progressively each quarter to our Office and Industrial tenants.

Questions cover topics such as building services, building management, communication and sustainability. In regard to sustainability our tenants overwhelmingly rated this as important to their company. They rated resource efficiency programs and the use of environmentally friendly materials as important to very important and responded favourably when asked whether they would like further information and support on environmental sustainability initiatives in their buildings/tenancies.

To thank our tenants for spending their time providing feedback, we are donating \$25 for each tenant survey completed to our selected charities, including the DEXUS People's Choice charity – the Royal Flying Doctor Service of Australia.

KEY ACHIEVEMENTS

- › Established our Community Engagement Working Group
- › Development of our community engagement strategy
- › Commenced tenant surveys across our office and industrial portfolios
- › Contributed \$300,000 to charitable and not for profit groups in Australia and New Zealand

Investor engagement

With more than \$15 billion of assets under management, DEXUS has thousands of investors from large, institutional investors such as super funds to individual investors – i.e. normal households around Australia and internationally. DEXUS has in place an experienced Investor Relations team and provides regular communication to our investor groups.

In early 2008, we ran our second Investor Perception survey to assess our progress in this important area. We are pleased to report improved results across many areas including greater understanding of our business strategy, and we received feedback to continue to improve our investor and market communications.



We are committed to transparently reporting to our investors and to gain an external assessment of this we entered our 2007 Annual Report into the Australasian Reporting Awards which assess the quality of business reports and we were delighted to receive a bronze award. To find out more about these awards visit www.arawards.com.au

We strive to continually improve our reporting standards and would invite our investors and stakeholders to provide us with feedback on how we are doing in this important area. Contact ir@dexus.com

Industry engagement

In addition to supporting charitable and fundraising programs in the property industry, we also actively engage in industry education and mentoring programs. For example, in the past year we continued both our professional exchange program with one of our partner property agencies and the Finance Graduate Trainee program with UTS. In 2008 we joined the UNSW “Lucy” mentoring program, an innovative leadership program which promotes opportunities for women in business.

Service excellence

Consistent with our values to deliver service excellence to our customers, we have made considerable progress in developing initiatives to increase customer service during the last year. In November 2007 we ran a series of internal workshops to identify areas where we could improve our service delivery at both a property and corporate level. This led to the development of a formal service excellence charter, which will be extended in 08/09 to our tenants and supply chain. An employee group has also been established to progress service excellence initiatives throughout the company.

CASE STUDY

DEXUS PROUDLY SUPPORTS CURE CANCER AUSTRALIA

As part of our community engagement program, DEXUS supported Cure Cancer Australia's Carnivale Ball as a Gold Sponsor.

More than 700 guests attended the event held in Sydney in September 2008 and the event raised approximately \$200,000 for Cure Cancer Australia.

The Cure Cancer Carnivale Ball, created by Young Cure Cancer Australia (YCCA), helps to fund the critical early work of brilliant young researchers pursuing potential breakthrough cancer research. In 2008 alone, Cure Cancer Australia allocated over \$1 million to 14 of the most promising cancer research projects in Australia. In 2008 research grants will be

provided in the following areas: cancer genetics, control mechanisms in cancer, melanoma, myeloma (bone marrow leukaemia), brain tumours, resistance to chemotherapy, breast, prostate and ovarian cancer and methods of inhibiting cancer cell growth.

Zoe Ewen of the YCCA said, “We were very excited to have DEXUS support us this year. It is only through the generosity of corporate

sponsors such as DEXUS which make events like the Carnivale Ball possible.”

At DEXUS we recognise that community engagement is an integral part of our business and we are proud to support Cure Cancer Australia and contribute to funding cancer research and in doing so, provide wider long-term benefits to our communities.





Our community

At DEXUS, we recognise that community participation is an integral part of our business and as one of the largest property groups in Australia, we believe it is our responsibility to ensure we have a positive impact on our communities.

We are committed to making community engagement a central part of our business and to increasing our participation and investment in the communities in which we do business.

Our strategy for effective community involvement includes:

- A coordinated approach to community engagement including providing access to DEXUS resources, skills and expertise as well as financial and in kind support

- Employee participation in community programs through dollar-for-dollar matching and fundraising programs, volunteering, sponsorship programs, education and mentoring opportunities

Community sponsorship

In addition to financial donations and sponsorships, we provide space in our properties for charities, not for profit organisations and community groups to build their profile and raise funds. We also contribute our time to education and mentoring activities.

Led by our new Community Engagement Working Group, the community and charitable groups we support are determined by our people who work with, live in and understand the needs of our local communities.

CASE STUDY

DEXUS SUPPORTING THE WORLD'S GREATEST SHAVE

Every year the Leukaemia Foundation provides support and care for patients and families living with leukaemia and related blood disorders, as well as funding vital research into treatments and cures.

One of the most successful fundraising events the Foundation runs each year is the World's Greatest Shave – where people pledge to shave or colour their hair anytime during March and gain sponsorship for doing so.

DEXUS and our employees donate to this charitable event and we also encourage our retail tenants and our customers to get involved and donate as well.

In March 2008, four of our retail centres were active in supporting the World's Greatest Shave; these were Willows Shopping Town and Smithfield Shopping Centre in North Queensland, Northgate Shopping Centre in Tasmania, and Plumpton Marketplace in New South Wales.

Combined the centres raised several thousands of dollars for the Leukaemia Foundation this year, in addition to the monies raised by DEXUS customers and tenants.

For example, Helen Squires, pictured below, a regular customer of the Smithfield Centre, raised over \$4,000 alone. Ms Squires had been growing her hair for 34 years and said her friend who lost her hair through chemotherapy treatment was her inspiration for getting involved.

This is just one example of the important role our retail centres play in the local community and this role is integral to our commitment to lead by example through not only raising monies but also helping to raise the profile of these charitable groups and their activities.

Helen Squires, a customer of Smithfield Shopping Centre, participating in the World's Greatest Shave charity fundraising event



CASE STUDY

EARTH HOUR 2008

On Saturday 29 March 2008, businesses and homes turned off their lights for one hour at 8.00pm to mark the second Earth Hour event.

This initiative aims to reduce electricity consumption and greenhouse gas emissions and raise awareness of energy efficiency and climate change. DEXUS again participated and we were proud to be the official sponsors of the Sydney Earth Hour event.

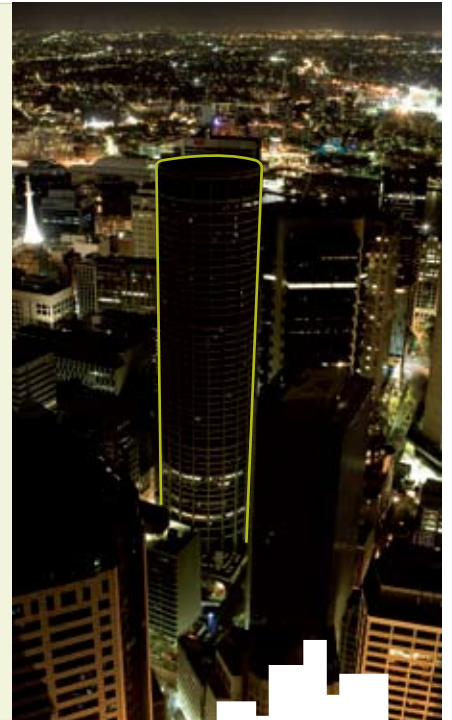
Supporting Earth Hour involves a considerable team effort across our business, in addition to collaboration with our tenants and service providers. Approximately 50 of our team assisted with the initiative including months of preparation from rolling out tenant

communications to attending the property on the night to manage logistics and support our tenants.

Key facts:

- Office – 43 or 100% of our office properties in Australia and New Zealand participated
- Over 830 floors of office space with their lights out
- Over 770 tenants were actively engaged and participated representing over 99% of our Office tenant base
- Retail – Nine of our centres including the Southgate Complex participated by switching off common area lighting and non-essential equipment.

Right: Lights off at Australia Square in Sydney during Earth Hour



Aligning activity with strategy

In addition to increasing our overall community engagement activity, our primary objective over the past 12 months, has been to improve the alignment of our CR&S activities and corporate strategy. To achieve this objective we established a new Community Engagement Working Group, with member representatives from across our business.

This group has been set-up to coordinate and drive our group-wide community activity, to develop policies and guidelines, communicate our achievements and encourage increased community participation and active employee involvement. This group is also responsible for the integration of community engagement into our business model, making it core to our business culture.

Following a review of our community engagement strategy in early 2008 it was decided that going forward DEXUS will support programs aligned to our business and brand values and specifically to property industry programs, environment and sustainability, homelessness, and children/youth charities.

To direct our efforts in these areas, we have selected a number of key charities and causes to support over the next 12 months. These include:

■ Property industry programs

We will continue to support community and fundraising programs through active involvement in the property industry. As a long-standing member of the Property Council of Australia, the property industry's leading body, we participate in a wide-range of activities and programs, including supporting fundraising events throughout the year.

We are also a platinum member of the Property Industry Foundation which assists charitable organisations providing services to youth at risk, and in particular supporting community programs aimed at youth homelessness.

■ Environment and sustainability

We selected the following environmental organisations principally because of their national presence which facilitates participation for all our employees around Australia and achieves alignment with our corporate values

- Planet Ark
- Landcare
- Earth Hour (see Case Study above)

■ Homelessness

We selected the following grass-roots organisations which operate from the Sydney CBD, within metres of a number of our office properties including our head office on George Street:

- St Martin's Foundation
- The Station

■ Children and youth

- Barnardos

We selected Barnardos due to their national presence and alignment in values and locations with both our operations in Australia and internationally



CASE STUDY

COMMUNITY OUTREACH IN THE UNITED STATES

Consistent with our community engagement philosophy, our strategic partner and manager of our 118 industrial properties in North America, RREEF, has a comprehensive community outreach program.

On a regular basis, RREEF is directly involved with our numerous tenants, service providers and the local community providing many opportunities to make a significant local and national impact. For example, in the last year RREEF commenced a national partnership with the Make-A-Wish Foundation®.

Nationwide, RREEF's management teams were challenged to participate in a holiday fundraiser by offering coloured stars for purchase through donations of US\$1 to US\$20 per star. These teams rose to the occasion, often exceeding their set goals and finding creative ways to raise funds and display the stars. Collectively, RREEF raised enough to grant the wishes of nearly a dozen children fighting life-threatening medical conditions.

Right: RREEF supporting the Make-A-Wish Foundation® in the USA

RREEF also builds tenant awareness of environmental issues through regular organised events at our buildings. Events include supporting the United States Earth Day event in April which helps raise awareness of environmental issues and demonstrates corporate support for a cleaner environment. Some of this year's events included: organising a spring cleaning event, encouraging tenants to start a carpool or walk, bike, or use public transport instead of driving and organising a Plant a Tree Day.

Several offices organised electronic waste recycling days, and tenants were asked to drop off their old and unused electronics from their homes or offices to be safely recycled. The response has been very positive, and RREEF has since initiated national partnerships with leading nationwide suppliers to provide electronic recycling services for tenants.

Involving tenants and service providers creatively at our buildings can have long-lasting impact in our communities.



DEXUS People's Choice charity

As part of our commitment to engage our employees in this area, we selected a new "People's Choice" charity of the year. Our people submitted nominations and the Royal Flying Doctor Service of Australia was the most popular. Over the next year, we will be supporting them through our dollar for dollar matching program and by donating on behalf of our tenants when they complete tenant surveys.

Measuring our community engagement activity

For the first time we have undertaken a detailed assessment of both our financial and in-kind donations to not for profit/charitable groups and this totalled more than \$300,000 in the year to 30 June 2008. In doing so we have developed a new community engagement reporting system for the business to improve our data collation and enable us to report our achievements in fundraising and in kind donations.



FUTURE PLANS

In 08/09 our Community focus will include:

- › Exceeding our 07/08 charitable contributions
- › Developing a new employee volunteering program
- › Developing a new community charter for our retail centres
- › Rolling out our community engagement reporting system across our business
- › Rolling out our service excellence charter to our tenants and incorporating into our supply chain

Above: Café at The Zenith, Chatswood, NSW

OUR PROPERTIES AND OUR ENVIRONMENT



Artist's impression of 1 Bligh Street, Sydney



WE HAVE CONTINUED TO DEVELOP OUR HOLISTIC AND STRATEGIC MANAGEMENT APPROACH TO IMPROVING THE PERFORMANCE OF OUR PROPERTIES AND OUR ENVIRONMENT BY:

- **Understanding and managing** the environmental and carbon footprint of our properties and associated activities
- **Reducing our environmental impact** across the key areas of energy, water, greenhouse gas (GHG) emissions and waste management
- **Future-proofing our existing properties** to meet the challenges of a low carbon economy, of climate change and appropriate resource management
- **Developing best practice** management programs to drive resource efficiency and improve environmental outcomes including use of appropriate industry environmental rating tools
- **Understanding the risks,** opportunities and impact of climate change on our business

Our commitment to environmental best practice is underpinned by our Environmental Management Program which has been developed to the international standard for Environmental Management Systems (ISO 14001: 2004) and complies with relevant legislation.



30 The Bond roof garden, Hickson Road, Sydney

Our properties

DEXUS manages over 260 properties across the office, retail and industrial sectors. Our operations encompass both the management and refurbishment of existing properties and the development of new properties.

In our experience, investing in sustainability not only reduces our environmental footprint, but adds value to our properties and the services we offer and, in turn, attracts potential tenants and employees. It also results in direct commercial advantages from improved resource efficiency and lower operating costs, providing financial savings for our tenants. Positive social benefits can also be delivered through greater tenant and employee satisfaction and positive corporate citizenship.

We believe the greatest challenge facing our industry is future-proofing; ensuring our existing properties meet the future demands of tenants, the challenges of a low carbon economy, climate change and appropriate resource management.

We are investing the necessary resources to determine how this can best be achieved and have prioritised the future-proofing of our existing office properties; as it is here that the greatest opportunity exists for improving resource efficiency and reducing carbon emissions.

KEY ACHIEVEMENTS

- › Completed the Green Profiling and Green Projects phases of our Green Building and Resource Management System (GBRMS) for our office portfolio
- › Continued to integrate sustainability features into our development projects notably 1 Bligh Street in Sydney, 123 Albert Street in Brisbane and our US developments
- › Responded to CDP6, our third year of reporting in the international Carbon Disclosure Project
- › Achieved recognition in the Goldman Sachs JBWere Climate Change Disclosure Leadership Index
- › Improved the capture and coverage of our environmental performance data
- › Offset emissions from our business air travel and major corporate events
- › Rolled out waterless urinals project to selected office properties
- › Rolled out rainwater harvesting project and project landscaping guidelines to selected industrial estates

CASE STUDY

THE NEXT GENERATION OF SUSTAINABLE DEVELOPMENT: 123 ALBERT STREET, BRISBANE

Making the most of its pivotal corner location in the heart of Brisbane's CBD, 123 Albert Street is an iconic development in scale and design and demonstrates our approach to future-proofing properties to meet and exceed the demands of a progressive generation of commercial tenants.

123 Albert Street is a premium grade 31-level commercial office tower, designed to achieve a world's best practice 6 star Green Star rating and a 5 star NABERS Energy rating (formerly ABGR).

The 38,000 square metre development includes 23 levels of office space, eight levels of car parking and secure storage space for 155 bikes. Additional amenities include changing rooms, showers and lockers, two levels of podium space for office, retail and child-care, a broad light-filled ground floor reception area, and a

through site pedestrian walkway connecting Albert, Charlotte and Elizabeth Streets.

Looking at 123 Albert Street from the surrounding cityscape, twin floor plates provide a gleaming glass frontage, flanked by two offset cores that do not simply balance the design but maximise the use of the floor plates. From within, this design function creates extensive floor plates with few columns to interrupt the views over Brisbane.

The development embraces environmentally sustainable design features and provides a quality workspace for our tenants. These features have been instrumental in securing mining group Rio Tinto as a major tenant.

A key sustainable design feature is the use of high-performance glass compounds backed by strategically placed solar reflectors to dramatically reduce heat and glare ingress and optimise the light and sense of open space flowing well into the inner core of every floor.

Ceilings in the offices are chamfered at the perimeter to maximise daylight penetration into the depth of the floor. A specially developed laser cut glass panel reflects natural light up and through an additional four to five metres into the interior of the building.

Strategically placed louvres on the northwest oriented floor plate drastically reduce glare and solar heat intrusion, in turn reducing energy consumption from the air conditioning system.

Chilled beam cooling technologies further reduce energy consumption and improve interior comfort while managing energy consumption in line with Green Star and ABGR benchmarks.

Another sustainable design feature is the use of low Volatile Organic Compounds (VOCs) to enhance interior air quality, creating a healthier working environment for our tenants. Low VOC materials have been used in everything from exterior finishes to paints, sealants and even carpets.

Water technologies including recycling for irrigation of the cascading greenery on the façade of the podium as well as interior plantings will make a significant impact on the overall water usage. This will be augmented by discreetly located rainwater tanks to capture everything the seasonal fluctuations of southeast Queensland can bring.



L to R: Demolition of existing site at 123 Albert Street, Brisbane; Artist's impression of 123 Albert Street, Brisbane



Australia Square Complex, 264-278 George Street, Sydney

Office sector

We are well ahead in future-proofing our existing office portfolio with further progress in the roll-out of our Green Building and Resource Management System (GBRMS).

Our GBRMS defines our approach to managing our environmental footprint and future-proofing our properties.

Our GBRMS has three phases:

Phase 1 Green Profiling: Each property's resource consumption is measured and its environmental performance is established under Green Star/Office Existing and NABERS Energy.

Phase 2 Green Project Opportunities: A review of suitable green project opportunities to improve the environmental performance of our properties is undertaken. A property-specific Green List of projects is then developed.

Phase 3 Improvement Roadmaps: Improvement action plans or roadmaps are then developed. Structured in a logical order, the roadmap is considered against the overall strategic asset plan of each property and progressively implemented.

CASE STUDY

FUTURE-PROOFING OUR EXISTING BUILDINGS

Our substantial progress in future-proofing our existing office buildings can be demonstrated by comparing our GBRMS established in 2006 against the recently released *Existing Buildings/Survival Strategies* paper from the Property Council of Australia (PCA). DEXUS is currently at the equivalent of Step 6 on the PCA's plan.

DEXUS GBRMS – OFFICE SECTOR

Phase 1: Green profiling: determine where we are now

Phase 1: Green profiling: assess ratings (Green Star, NABERS, energy and water), engage stakeholders and identify portfolio targets

Phase 2: Contracts and specifications upgrade, bulk purchase of energy, install smart metering and purchase green power

Phase 2: Identify all Green Project opportunities including implementing our Minimum Green List

Phase 3: Produce property specific improvement roadmaps

Phase 3: Implement the roadmap

THE PCA SIX STEP PLAN FOR IMPROVING THE SUSTAINABILITY OF EXISTING BUILDINGS

Step 1: Determine your baseline

Step 2: Establish your targets and goals

Step 3: Review maintenance, housekeeping and energy purchase strategy

Step 4: Crunch time: refurbish or demolish

Step 5: Select your optimal upgrade initiatives

Step 6: Get started

Over the past year we have completed Phases 1 and 2 for our office properties, and are progressively rolling out Phase 3 with improvement roadmaps completed for over a quarter of the properties with the balance to be completed in 08/09.

Post-implementation, our property and asset managers will continue to monitor, manage and improve each property's green credentials and environmental performance.

A number of our property specific and portfolio wide initiatives, including building management system tuning, improved identification of resource consumption profiles and refurbishing or replacing end of life plant and equipment, are expected to deliver significantly reduced energy consumption over the next year.

The Case Study on page 39 demonstrates the reduction in resource consumption that can be achieved through efficient management and implementation of green projects.

Across the portfolio we are tracking consumption against our reduction targets for energy and water. Rolling annual totals for each sector are tracked and communicated to the property management teams and all levels of senior management. Commentary is provided where targets are not maintained and new initiatives are identified to reduce resource consumption.

Our progress with the roll-out of our GBRMS has been reaffirmed by a comparison to the Property Council of Australia's recently released "Existing Buildings/Survival Strategies", which represents a "how to" manual for future-proofing existing office properties. See Case Study below.

In the coming year, we plan to roll out a version of the GBRMS to our industrial and retail sectors and will provide an update on our progress in future reporting periods.



The Zenith, Chatswood, NSW



CASE STUDY

BIORETENTION BASIN SYSTEM AT DINGLEY

The dry Australian conditions and climate make the use, harvesting and treatment of water particularly important design considerations for our properties.

DEXUS is currently developing a double storey office building and warehouse totalling 3400 square metres in Dingley, Victoria. It incorporates the use of water sensitive design principles to improve stormwater run-off quality and retains on site any increase in run-off as a result of the development.

To achieve this, a bioretention basin system was designed to suit the development which also includes a 45,000 litre storage tank for the re-use of stormwater in water closet cisterns.

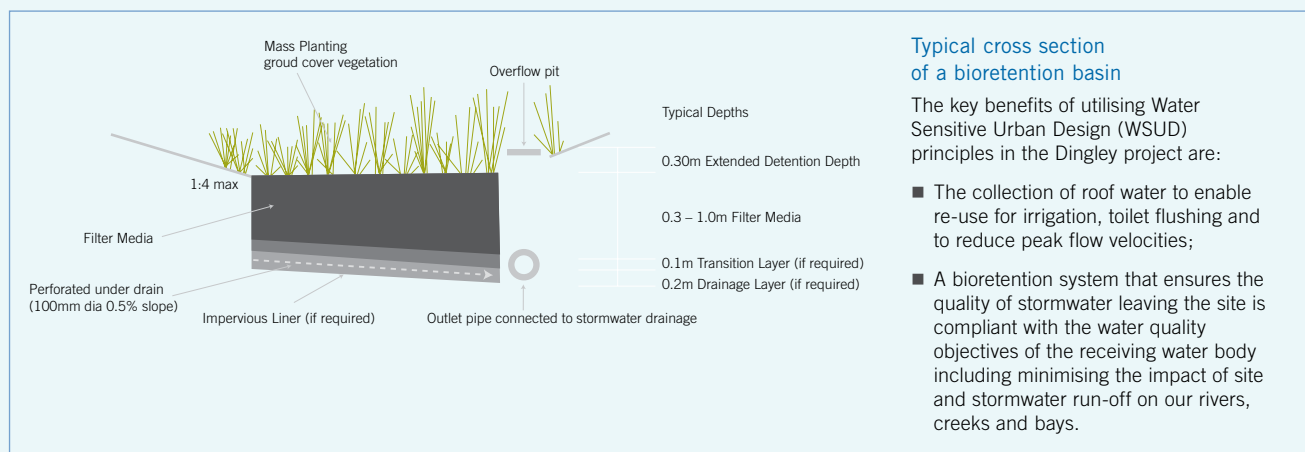
The bioretention basin is a densely vegetated area where stormwater run-off is filtered through a filter media layer (e.g. sandy loam) as it percolates downwards. During percolation, pollutants are retained through fine filtration, adsorption and some biological uptake. Run-off is then collected via perforated under drains and flows to downstream waterways or the storage tank for re-use.

Bioretention basins treat stormwater in the same way as bioretention swales however, 'above design' flows are conveyed through overflow pits or bypass paths rather than over the filter media. This has the advantage of protecting the filter media surface from

high velocities that can dislodge collected pollutants or scour vegetation.

The vegetation in a bioretention system is a vital functional element of the system providing a substrate for biofilm growth within the upper layer of the filter media. Vegetation facilitates the transport of oxygen to the soil and enhances soil microbial communities which enhance biological transformation of pollutants.

As shown below, the bioretention media typically consists of three layers: a filter media for stormwater treatment, a drainage layer to convey treated water from the base of the filter media into the perforated under drains and a transition layer of sand to prevent migration of the filter media into the drainage layer and subsequently into the perforated under drains.



Industrial sector

Although our industrial sector properties require far less resources to operate, compared to our office buildings, we are committed to ensuring they operate at a high level of resource efficiency. We are establishing consumption profiles for our industrial sector properties and are implementing a number of initiatives including minimising water usage, such as water harvesting at Greystanes (See Case Study on page 37).

We have also developed water treatment and conservation policies for the landscaping of our industrial properties including:

- Reduction of lawn areas where possible
- Use of drought tolerant grass species and selection of plants which have low water requirements
- Irrigation restricted to plant establishment period only
- Provision of locally sourced mulch cover to all garden beds
- Harvest site water for re-use via swales and underground water tanks, where possible and appropriate. See Case Study above: Bioretention Basin System at Dingley
- Treat stormwater run-off through bioretention raingardens, where possible
- Specify locally sourced materials with lower embodied energy

Retail sector

All DEXUS managed retail sites are taking part in a pilot project to develop a NABERS Energy and Water rating tool for the retail sector. NABERS is a national program administered by the NSW Department of Environment and Climate Change. This is an exciting initiative that will, for the first time, provide industry benchmarks on energy and water consumption.

All centres provided detailed information on plant and equipment, air conditioning configuration and energy and water consumption profiles. The rating tool is scheduled for completion at the end of 2008.

Implemented this year, retail developments are now measured against our Green Projects/Ecologically Sustainable Development checklist. This checklist covers applicable environmental, social, economic and governance considerations and is cross referenced to the Green Star Shopping Centre Design Pilot rating tool, enabling our team to benchmark our developments against industry best practice.



Playground at Smithfield Shopping Centre, Cairns Northern Beaches, QLD

CASE STUDY

WATER HARVESTING AT GREYSTANES

DEXUS has signed an innovative agreement with Boral to provide stormwater harvesting and ground water facilities to the Cumberland Country Golf Club from our new 47.4 hectare industrial development site in Greystanes NSW.

Under the agreement, it is anticipated that approximately 150 megalitres of stormwater and ground water from the 70 hectare site will be collected each year and provided to the adjacent Golf Club.

The harvested water will be used to water the Club greens and will be delivered through a pipeline at about six litres per second.

It replaces the current more expensive system, where recycled water is delivered to the Club in tankers.

Recycled water will also be made available for the irrigation of local community needs such as Greystanes Public School grounds and selected public parks.

This is one of several sustainability initiatives for our Greystanes development, which will also feature designs incorporating natural light, natural ventilation technology, the use of native plants for landscaping and rain water harvesting for the overall estate. This is in line with our vision to deliver world class industrial facilities with leading edge sustainable design features.



“Consistent with our commitment to sustainability, we are thrilled to support this project which will provide environmental and social benefits through the recycling of valuable water to the local community.”

DEXUS CEO, Victor Hoog Antink



Property Occupational Health Safety & Liability (OHS&L) program

Our Property OHS&L program identifies, manages and monitors OHS&L practices to provide our tenants, employees and service providers with a safe and risk-free environment. An annual assessment of each property's OHS&L performance is carried out by external auditors according to a 5 Star performance rating system. Key criteria include fire systems and management, hazard and contractor management, building design and operation, emergency response plans and first aid. Each property is awarded a performance scorecard, a corresponding star rating and, if necessary, an improvement plan.

DEXUS is able to use the assessment to significantly minimise the OHS&L risk associated with each of its properties, identify key areas that require additional resources and strive for best OHS&L practice in this critical area.

In 2008 we implemented an online induction and qualification process for our contractors. Since the beginning of 2008, over 500 contracting companies have been asked to undertake the induction process with more than 500 individual contracting employees inducted to our OHS&L requirements. On successful completion of the induction, contractors receive an induction accreditation certificate which gives them access to any DEXUS property they may service.

We also reward our property management personnel for best practice in the area of OHS&L. In 07/08 we made the following awards:

Best Individual/Team Award is presented each year to the team that best demonstrates their commitment to the OHS&L program, their proactive approach and a significant improvement in the OHS&L performance of the properties they manage.

The 2007 Best Team/Individual Award went to: Helen Savage and Andrew Williams at Knight Frank who manage our industrial properties at Laverton North, Citisouth, Clayton, Pound Road West and Citiside in Melbourne. Managing a number of multi-tenanted and sole-tenanted industrial properties within the Melbourne metropolitan area, the team not only achieved a significant performance score increase for their properties but also demonstrated the adoption of all of our OHS&L management procedures.

Most Improved Property Award is presented each year to the property that shows the most significant improvement in its management of OHS&L. The improvement level is assessed with consideration given to the resources and personnel available, as well as the complexity of the property.

The 2007 Most Improved Property Award went to:

342 Queens Street, Brisbane

This was only the second year this property has been in the program and yet it has increased its performance score from 73.3 in 2006 to 90.1 in 2007, an outstanding achievement by the team.

CASE STUDY

EXCELLENCE IN RISK MANAGEMENT

In June 2008, 240 St George's Terrace in Perth, WA achieved the ACE Insurance – AAA Award.

Each year a selection of our properties are inspected as part of the ACE AAA certification. This program is one of the most highly regarded risk management and fire safety programs in the world and has been designed by the ACE Group to evaluate risk in property, business interruption exposure and fire safety management.

This program follows internationally recognised standards and fire codes and consists of two major evaluation categories:

1. Fire safety management controls
2. Fire protection facilities

240 St George's Terrace achieved the highest AAA grade across both categories, which includes 20 measures and represents a major achievement. As an indication of the effort required to achieve this standard ACE NSW has only awarded one other AAA award in 2008.

The ACE AAA award recognises best practice and provides the following benefits:

- It demonstrates our commitment to excellence in the management of fire safety risks
- It demonstrates our risk management philosophy to identify and control risk exposures, which is favourably viewed by property insurers and attracts an insurance premium reduction across the portfolio
- It allows individual sites to be benchmarked against other properties in our portfolio

We are very pleased to see the hard work and dedication to risk management of the Woodside Plaza Building management team rewarded in this way.

240 St George's Terrace
in Perth, WA





Winners of our annual Property OHS&L awards. Top: Helen Savage and Andrew Williams, Knight Frank. Bottom: Stacy Mills and Ray Finlay, Brookfield Multiplex Capital

Our Environment

At DEXUS, we are committed to reducing or eliminating our environmental impact across the key areas of energy, water, greenhouse gas (GHG) emissions and waste management at both a property and portfolio wide level. We aim to identify and control the environmental impacts of our properties and associated operational activities through our Environmental Management (EM) program.

Our EM program has been developed to meet the international standard for Environmental Management Systems (ISO 14001:2004), which incorporates all elements identified under the Australian Standard for Risk Management (AS/NZS 4360) and complies with relevant legislation.

Each DEXUS property is subject to independent environmental reviews at all stages of the property lifecycle, starting with environmental due diligence at acquisition. Once accepted into the portfolio, a rigorous Initial Status Audit establishes a baseline from which improvements are assessed. Improvements are implemented using our environmental management manual and toolkit, tenant guides and brochures.

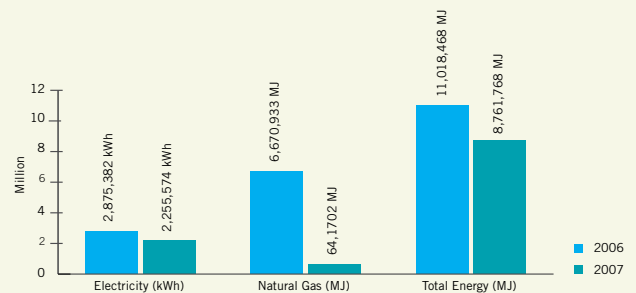
Annual reviews by external consultants then ensure that the environmental performance of the property is progressed and tracked via a scorecard system. Environmental Improvement Plans are issued and reviewed at each annual audit. Our EM program has led to reduced environmental impacts as well as the education of property management teams.

In reducing or eliminating the impact of individual properties on the environment we seek to reduce the overall environmental impact of our operations.

CASE STUDY

130 GEORGE STREET, PARRAMATTA, NSW

130 George Street is a 13 storey office tower located in Parramatta CBD. We have taken steps to future-proof this property by introducing a number of resource efficient initiatives such as lighting movement sensors and T5 fluorescent lighting on refurbished floors, dual flush toilets and low flush urinals. The energy initiatives have resulted in a 20% reduction in overall energy consumption in 2007 as the graph below illustrates.



The greenhouse gas emissions created by the site have been reduced from 2,593 to 2,040 tCO₂e resulting in a reduction of 553 tonnes of greenhouse gas emissions, equivalent to taking over 120 cars off the road.

Additional initiatives have been identified through the Improvement Roadmap and include reducing the overnight energy load, improving boiler operations, reducing chilled water operations during winter, reconfiguring car park ventilation systems to run on demand and upgrading common area lighting.

At DEXUS we take a holistic approach to CR&S and as well as environmental improvements such as upgrading existing waste management to increase recycling rates, we also look at measures to improve tenant services such as the incorporation of bicycle and shower facilities.





Understanding our environmental and carbon footprint

Since our last CR&S Report we have continued to refine our systems and processes for estimating our entire portfolio's GHG emissions. This year our German properties have been included in this report for the first time.

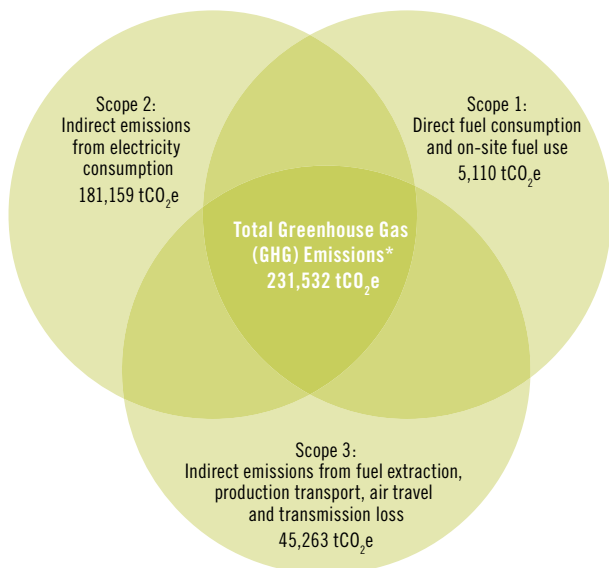
In addition, an automated data entry system was used to minimise data inaccuracies from our Australian and international properties. We are continually seeking to improve the accuracy and comprehensiveness of our data collection and reporting procedures. Additional sources of emissions continue to be identified and factored into our overall emission inventory.

This year's data is within our expected range given movements in the number and type of properties within our portfolio during the year.

The table below shows our carbon footprint for the 2007 calendar year. This has been calculated following methodologies within the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

We continue to report our performance via requirements under the Carbon Disclosure Project (CDP) and publish our reports on our website.

ANNUAL GREEN HOUSE GAS EMISSIONS



*GHG emissions arising from the global portfolio represent properties located within the United States, Australia, Germany and New Zealand.

Throughout this report, tCO₂e represents tonnes of carbon dioxide equivalent.

Climate change risks, opportunities and managing our carbon footprint

At DEXUS, we recognise that climate change presents the property sector with a number of challenges and opportunities. Key challenges are generally associated with risks to market competitiveness, increased regulatory requirements, short to long-term changes in climate, and rising energy, fuel and water costs. We believe that these challenges, where they are managed well, can present opportunities in the form of improved resource efficiency and community engagement.

Accordingly, we address the challenge of climate change within our risk management framework. Our OHS&L Risk Management manual for example includes, under section 1.3 "Risk Management", procedures and a sample template for each property to develop a site specific risk register which includes climate change as a risk category.

We also conduct workshops, on-site training and risk mentoring for our property/centre management teams. Included within our annual Sustainability and Risk Management Seminars, conducted in November each year, there are a series of risk register workshops where property and centre management teams produced a property related risk register. Participants gain skills in assessing and ranking risks, including climate change, specific to their own properties for inclusion in their individual property risk registers.

OUR CARBON FOOTPRINT

ELECTRICITY

Total electricity purchased	203,201MWh
Total electricity purchased from renewable sources	15,400MWh

GAS

Total on-site consumption	96,998,200MJ
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During our 2007 OHS&L review program, OHS&L consultants spent time at each property to assist with improving these property specific risk registers. This included going through the sample risks within the OHS&L Management Manual and determining a risk level relating to their own site specific requirements. As part of our OHS&L risk mentoring process property/centre management teams were encouraged to issue their draft risk registers to our OHS&L consultants for further review and feedback.

The challenge of climate change is also addressed through the progressive implementation of our GBRMS, establishing a structured platform and management system from which we continue to proactively manage future resource shortages and to reduce our resource consumption, carbon and environmental footprint.

We believe that stakeholder education is critical to the success of managing our carbon footprint and we provide information and training to our property management teams and tenants to enable skills and knowledge to be enhanced.

We have identified a number of key areas through which we can reduce the impact of climate change and the overall environmental footprint of our business operations and property portfolio.

These are:

1. Energy management

Emissions reduction is driven primarily through the control of energy use and is an integral part of our property management strategy. Key programs are targeted at ensuring wastage is limited and the building is operating as efficiently as possible. Monthly consumption profiles and optimised Building Management Systems (BMS) are two key points of reference for the on-site team to ensure performance is tracking to targets and improving over time.

We have sought to improve our real time monitoring of our energy consumption by using a smart metering system at the base building meter in our properties. We are currently finalising a new consolidated database to capture historical consumption information through an innovative online system.

CASE STUDY

PROJECT ZENITH – US SILVER LEED

DEXUS is currently developing three rail served distribution facilities for the Whirlpool Corporation at various locations (Atlanta GA, Columbus OH and Seattle WA) in the United States of America.

The distribution facilities in Atlanta and Seattle have been pre-certified to achieve a US Green Building Council New Construction Silver LEED certification (equivalent to an Australian Rating of a 4 Star Green Star Rating).

The facility in Columbus has been pre-certified to achieve a US Green Building Council New Construction LEED certification. Pre-qualification criteria allows an owner or user to market the green attributes of a New Construction LEED building prior to construction completion.

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ is the accepted benchmark in the US for the design, construction and operation of high performance green buildings.

LEED gives building owners and operators the tools to assess and deliver immediate and measurable impact on their building's performance. LEED promotes a whole-building approach to sustainability and recognises performance in five key areas: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

To obtain the LEED certification we designed the Whirlpool distribution facilities incorporating sustainability features such as the use of recycled water for water features and water-efficient landscaping, energy efficient building systems, use of locally sourced construction materials and dedicated recycling areas.

We have also ensured optimal indoor air quality with increased ventilation/outdoor air availability and the use of low-emitting materials. We also encourage tenant/user education, the introduction of green housekeeping practices and improved waste management practices and work with LEED accredited professionals throughout.



Whirlpool facility, California, USA



This will enable consumption data to be captured directly from the smart metering program and, where smart metering is not in place, to monitor and report resource consumption across our entire portfolio including our international assets more effectively. This program will replace our previous manual reporting system.

2. Building controls

A significant factor affecting the energy efficiency of buildings is the standard to which building controls/management systems operate. These BMS's drive the heating and cooling requirements and determine the output of major plant and equipment. In April 2008 we engaged a specialist controls consultancy to undertake a strategic review and 'tune-up' of the BMS's in our office sector properties which will continue into 08/09. This program is already delivering significant energy improvements as the identified system corrections are implemented.

3. Low emissions energy solutions

Delivering emissions solutions for the future also requires the incorporation of low emission energy solutions. The use of co-generation and tri-generation systems offer a unique opportunity to deliver buildings that have far smaller carbon footprints than their predecessors. We are completing a feasibility study of how these systems can be incorporated into our existing buildings.

4. Water

Water use in buildings is mainly in three key areas; amenities, cooling towers and leakage. Operating our buildings in accordance with best practice guidelines ensures water-efficient fixtures and fittings are implemented, comprehensive cooling tower maintenance programs are in place and an effective leak detection and rectification plan operates.

Throughout our office sector properties and as part of all refurbishments, water saving measures are incorporated including dual flush toilets, low or no water urinals, flow restrictors, water saving taps and rated showerheads.

The measurement and monitoring of water consumption assists in the identification of leaks and consumption anomalies through the use of real time smart metering at the incoming mains supply.

In addition to implementing initiatives to minimise the use of water, we look for opportunities to include the harvesting of rainwater for re-use and the treatment of rainwater run-off in our property designs. Case Studies on pages 36 and 37: Bioretention Basin System at Dingley and Water Harvesting at Greystanes, are two examples.

5. Waste

Managing and benchmarking waste management in an office building is a key challenge in the property sector due to the diversity of waste management programs provided by cleaning contractors. As a consequence, waste recycling programs that incorporate very good levels of waste diversion from landfill tend to be considered more management intensive.

Our objective is to improve our waste recycling and management programs, review and enhance existing systems to ensure comprehensive recycling programs and measurement capability are incorporated within every property's waste management program.

As part of this project a best practice guideline is being developed which will be utilised for all office properties in Australia.

6. Business travel and greenhouse gas emissions offset

Each year, members of the DEXUS team travel by air to service our national and international portfolio.

In 2007, our people travelled a total of 3,435,975 kilometres. We purchased offsets in the form of landfill diversion credits for this business travel and other business event emissions, such as our Annual Sustainability & Risk Management Roadshows.

We work with an experienced offset provider, Carbon Reduction Institute, which was awarded one of five "outstanding" offset provider recognitions by Carbon Offset Watch, the first independent ranking of Australian offset providers. Additionally, our landfill diversion credits are accredited by Greenhouse Friendly.

The waste processing facility uses diversions from landfill of household rubbish for more than 350,000 residents. When the disposal of organic matter to landfill is avoided by composting, methane emissions (which are 21 times more potent than CO₂) are abated, as the waste is broken down in the presence of oxygen. This reduces the amount of methane produced and a real reduction in greenhouse gas emissions is delivered.

EMISSIONS ARISING FROM BUSINESS TRAVEL (TCO₂E) IN 2007

AIR TRAVEL (tCO₂E) (INCLUDED IN TOTAL SCOPE 3 EMISSIONS)

FLIGHT TYPE	DEFINITION	TOTAL KM'S	SCOPE 3 EMISSIONS
Short Haul	Less than 500 km	41,885	6.28
Medium Haul	Less than 1,600 km	928,015	110.81
Long Haul	More than 1,600 km	2,466,075	271.27
Total		3,435,975	388.40

Notes: Based on GHG Protocol (2007) and a workforce of approximately 270 employees.

Source: GHG Protocol, Greenhouse Gas Protocol (2007).

Calculation Tools: CO₂ Emissions from Business Travel – www.ghgprotocol.org



FUTURE PLANS

In 08/09 our focus will include:

- › Minimising greenhouse gas emissions
- › Offsetting emissions from our business travel and major corporate events
- › Responding to Carbon Disclosure Project CDP7
- › Developing a CR&S and Service Excellence Charter for integration into our supply chain agreements
- › Improving sustainability data capture and reporting to refine baseline data and targets
- › Continuing to benchmark our environmental performance through the use of industry rating tools
- › Roll out of GBRMS:
 - Office:
 - Completing Phase 3 Improvement Roadmaps for remaining office properties
 - Retail and Industrial:
 - Completing Phase 1: Green Profiling and Phase 2: Green Opportunities for retail and selected industrial properties
- › Integrating sustainability initiatives into development projects
- › Engaging tenants on sustainability including:
 - Roll out of Tenant Sustainability Guidelines and Green Lease Schedule
 - Enabling tenants to access our supply chain to source green products

Above: 30 The Bond roof garden, Hickson Road, Sydney

OUR FUTURE PLANS



A view of Sydney looking north from the roof of Governor Phillip Tower

OUR CORPORATE APPROACH

In 08/09, our focus will include:

- › Continuing to improve the quality and transparency of our CR&S Reporting
- › Continue our proactive participation in sustainability ratings and indices including
 - CDP
 - FTSE4Good Index and the Australian SAM Sustainability Index
 - Obtain listing on Dow Jones Sustainability Index



OUR PEOPLE

In 08/09, our focus will include:

- › Fostering a learning culture by promoting the sharing of knowledge across our sectors and teams, and encouraging collaboration throughout our business
- › Reviewing our talent stream and identifying opportunities for our people to grow and develop
- › Encouraging cross-divisional collaboration through engagement of the wider management group in our business planning processes and culture change activities



OUR COMMUNITY

In 08/09 our Community focus will include:

- › Exceeding our 07/08 charitable contributions
- › Developing a new employee volunteering program
- › Developing a new community charter for our retail centres
- › Rolling out our community engagement reporting system across our business



OUR PROPERTIES AND OUR ENVIRONMENT

In 08/09 our focus will include:

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- › Offsetting emissions from our business travel and major corporate events
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 - Roll out of Tenant Sustainability Guidelines & Green Lease Schedule
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GRI INDEX

The Global Reporting Initiative (GRI) contains globally applicable guidelines for sustainability reporting. Established in 1997, GRI became an independent institution in 2002 and is an official collaborating centre of the United Nations Environment Programme (UNEP) and works in collaboration with the UN Global Compact.

The core guidelines are for voluntary use by organisations for reporting on the economic, environmental and social dimensions of their activities, products and services.

This Corporate Responsibility and Sustainability Report is produced in accordance with the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines (a full description of the guidelines is available at: www.globalreporting.org). DEXUS believes that by adopting G3, we will provide our stakeholders with a greater ability to understand and benchmark our performance against others within our sector and provide greater clarity on our sustainability strategy and key areas of impact.

This Index provides a reference to information and data provided throughout this report, as well as to the GRI indicators on which we have reported. The listing of GRI indicators is part of the requirements we must meet to produce a GRI-based report.

To achieve a reporting application level of "A" we are required to report on all core G3 performance indicators and provide an explanation of any core indicator on which we have not reported.

Immediately following the Index we have included an explanation of the reasons why we have not fully reported on a given indicator, and further explanation of our business practices relevant to a particular indicator, where required.

KEY = ● Addressed

● Partially addressed

AR Information provided in DEXUS Property Group's Annual Report 2008

CDP Information provided in our Carbon Disclosure Project Report

CG Information provided in the Corporate Governance section of DEXUS Property Group Annual Report 2008

CR&S 2007 Information provided in the DEXUS 2007 CR&S Report

EXP Explanation of GRI indicators omitted or identified for future reports are listed at the end of index on page 51

Profile

1. Strategy and analysis

		Status	Reference
1.1	Statement from CEO and Chair	●	p 2-3
1.2	Description of key risks and opportunities and effects on stakeholders	●	p 2-5, 9-12, 20-21, 23-29, 31-32, 34-43, CDP

2. Organisational profile

		Status	Reference
2.1-2.10	Organisational profile	●	p 8-9, AR

3. Report parameters

		Status	Reference
3.1-3.3	Reporting period, previous report, report cycle	●	p 1
3.4	Contact point for questions on CRS report and sustainability initiatives	●	crs@dexus.com, p 1
3.5	Guidance on Defining Report Content	●	p 1, 46, EXP
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	●	p 1, 8, AR
3.7	State any specific limitations on the scope or boundary of the report	●	p 1, 40, CDP
3.8	Basis for reporting on joint ventures, subsidiaries and other entities that can significantly affect comparability from period to period and/or between organisations	●	p 1, 8, AR
3.9	Data measurement techniques including calculations and assumptions. Highlight any divergence from GRI Indicator Protocols	●	p 39-40, 42, 51-55, CDP
3.10	Explanation of any re-statements of information provided in earlier reports	●	EXP
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied	●	EXP
3.12	Table identifying the location of the Standard Disclosures in the report	●	p 46-55
3.13	Practice of seeking external assurance for the report	●	EXP

4. Governance, commitments and engagement

		Status	Reference
Governance			
4.1	Governance structure of the organisation	●	p 10-11, CG, AR
4.2	Indicate whether the Chair of the Board is also an executive officer	●	CG, AR
4.3	State the number of members of the Board who are independent and/or non-executive members. State how the organisation defines "independent" and "non-executive"	●	CG, AR
4.4	Mechanisms for shareholders and employees to provide feedback to the Board	●	p 1, CG, AR
4.5	Board and Senior Management remuneration and link to the organisation's performance	●	CG, AR
4.6	Processes in place for the Board to ensure conflicts of interest are avoided	●	CG
4.7	Process for determining Board member qualifications and expertise of the members of the Board	●	CG
4.8	Mission or value statements, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	●	p 9, EXP, CG, AR
4.9	Board procedures for overseeing the organisation's identification and management of economic, environmental, and social performance, including internationally agreed standards	●	p 10-11, CG
4.10	Processes for evaluating the Board's performance, in particular economic, environmental, and social performance	●	CG, AR
Commitments to external initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed in risk management framework	●	CG, EXP
4.12	External adherence or support of economic, environmental, and social charters or principles	●	p 10, 12, 34, 42, 46, CG
4.13	Memberships of associations and advocacy bodies	●	p 12, 25-27
Stakeholder engagement			
4.14	List of stakeholder groups engaged by the organisation	●	p 2-5, 9-12, 16-17, 23-28
4.15	Basis of identification of stakeholders with whom to engage	●	p 2-5, 9-12, 16-17, 23-28
4.16	Approach to stakeholder engagement	●	p 15-17, 21, 23-29
4.17	Response to key topics and concerns raised through stakeholder engagement	●	p 15-19, 21, 23, 29

Performance indicators

		Status	Reference
Economic performance indicators			
Economic management approach		●	p 7-10, AR
Economic performance			
EC1	Direct economic value generated and distributed	●	p 8-9, AR
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	●	p 2-3, 31-32, 40-42, CDP
EC3	Coverage of the organisation's defined benefit plan obligations	●	p 19, EXP
EC4	Significant financial assistance received from government	●	EXP
Market presence			
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	▶	p 19, EXP
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation	●	p 25, 29, EXP
EC7	Local hiring procedures and proportion of senior management hired from the local community	●	EXP
Indirect economic impacts			
EC8	Development of infrastructure investments and services provided primarily for public benefit	●	EXP
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	▶	EXP
Environmental performance indicators			
Environmental management approach		●	p 31-43, CDP
Materials			
EN1	Materials used by weight or volume	●	p 39, EXP
EN2	Percentage of materials used that are recycled input materials	●	p 39, EXP
Energy			
EN3	Direct energy consumption by primary source	●	p 39, 42, CDP
EN4	Indirect energy consumption by primary source	●	p 39, 42, CDP
EN5	Energy saved due to conservation and efficiency improvements	▶	p 39, CDP, EXP
EN6	Initiatives and outcomes of providing energy-efficient products and services	●	p 31-35, 37, 39-42, CDP
EN7	Initiatives and outcomes of reducing indirect energy consumption	●	p 31-35, 37, 39-42, CDP
Water			
EN8	Total water withdrawal by source	●	p 36-37, 42, EXP
EN9	Water sources significantly affected by withdrawal of water	●	p 36-37, 42, EXP
EN10	Percentage and total volume of water recycled and reused	▶	p 36-37, 42, EXP
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to areas of high biodiversity value	●	EXP
EN12	Description of significant impacts of activities, products, and services in areas of high biodiversity value	●	EXP
EN13	Habitats protected or restored	▶	EXP
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	●	EXP
EN15	Number of endangered (IUCN Red List) species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	●	EXP
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight	●	p 39, 42, CDP
EN17	Other relevant indirect greenhouse gas emissions by weight	●	p 39, 42, CDP
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	●	p 31-43, CDP
EN19	Emissions of ozone-depleting substances by weight	●	p 39, 42, CDP
EN20	NO, SO, and other significant air emissions by type and weight	●	EXP, CDP
EN21	Total water discharge by quality and destination	●	p 42, EXP
EN22	Total weight of waste by type and disposal method	●	EXP
EN23	Total number and volume of significant spills	●	EXP
EN24	Weight of transported hazardous waste	●	EXP
EN25	Impact of water discharges	●	EXP
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	●	p 10-12, 23, 27, 28, 31-43
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	●	p 22-23 CR&S 2007, EXP

Performance indicators (continued)

		Status	Reference
Environmental performance indicators (continued)			
Compliance			
EN28	Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	●	CG, EXP
Transport			
EN29	Significant environmental impacts of transporting products, goods, materials and members of the workforce	●	p 39, 42
Overall			
EN30	Total environmental protection expenditures and investments by type	●	EXP
Labour practices and decent work			
Labour practices management approach		●	p 2-4, 9, 10-11, 15, 20, 38
Employment			
LA1	Total workforce by employment type, employment contract, and region	●	p 18, EXP
LA2	Total number and rate of employee turnover by age group, gender and region	●	p 20, EXP
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	●	p 19, EXP
Labour/management relations			
LA4	Percentage of employees covered by collective bargaining agreements	●	EXP
LA5	Minimum notice period(s) regarding operational changes	●	EXP
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	▶	p 20, 38
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	●	p 20
LA8	Risk management programs to assist workforce members, their families, or community members regarding serious diseases	●	p 20, 38, EXP
LA9	Health and safety topics covered in formal agreements with trade unions	▶	EXP
Training and education			
LA10	Average hours of training per year per employee by employee category	●	p 18
LA11	Programs for skills management and life-long learning	●	p 18
LA12	Percentage of employees receiving regular performance and career development reviews	●	p 10, 16, 19, CG
Diversity and equal opportunity			
LA13	Composition of governance bodies and indicators of diversity	●	p 20, CG
LA14	Ratio of basic salary of men to women by employee category	●	p 19, EXP
Human rights performance indicators			
Human rights management approach		●	p 2-4, 7, 9, 15, 19
Investment and procurement practices			
HR1	Percentage and total number of significant investments that screen for human rights	●	CG, EXP
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights	●	EXP
HR3	Total hours of employee training on policies and procedures concerning human rights	▶	p 20, CG
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken	●	EXP
Freedom of association and collective bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be a significant risk, and actions taken to support these rights	●	EXP
Child labour			
HR6	Operations identified as having significant risk for incidents of child labour and preventative measures	●	EXP
Forced and compulsory labour			
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour and preventative measures	●	EXP

KEY = ● Addressed
▶ Partially addressed

AR Information provided in DEXUS Property Group's Annual Report 2008

CDP Information provided in our Carbon Disclosure Project Report

CG Information provided in the Corporate Governance section of DEXUS Property Group Annual Report 2008

CR&S 2007 Information provided in the DEXUS 2007 CR&S Report

EXP Explanation of GRI indicators omitted or identified for future reports are listed at the end of index on page 51

Performance indicators (continued)

	Status	Reference
Human rights performance indicators (continued)		
Security practices		
HR8 Percentage of security personnel trained in the organisation's human rights policies or procedures	●	EXP
Indigenous rights		
HR9 Total number of incidents of violations involving rights of indigenous people and actions taken	●	EXP
Society performance indicators		
Society management approach	●	p 2-5, 7, 9-11, 23, 26
Community		
SO1 Impacts of our operations on communities	●	p 23-29
Corruption		
SO2 Percentage and total number of business units analysed for risks relating to corruption	●	CG, EXP
SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures	●	CG, EXP
SO4 Actions taken in response to incidents of corruption	●	CG, EXP
Public policy		
SO5 Public policy positions and participation in public policy development and lobbying	●	EXP
SO6 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	●	EXP
Anti-competitive behaviour		
SO7 Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices	●	EXP
Compliance		
SO8 Significant fines and non-monetary sanctions for non-compliance with laws and regulations	●	EXP
Product responsibility performance indicators		
Product responsibility management approach	●	p 2-3, 7, 9-11, 23
Customer health and safety		
PR1 Management of health and safety impacts of products and services throughout life-cycle stages	●	p 23, 38, EXP
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services	▸	EXP
Product and service labelling		
PR3 Management of product and service information	●	EXP
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling	▸	EXP
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	▸	p 24-25, CG
Marketing communications		
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communications	●	EXP
PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	●	EXP
Customer privacy		
PR8 Total number of substantiated complaints regarding breaches of customer privacy	●	EXP
Compliance		
PR9 Significant fines for non-compliance with product responsibility laws and regulations	●	CG, EXP

KEY = ● Addressed
▸ Partially addressed

AR Information provided in DEXUS Property Group's Annual Report 2008

CDP Information provided in our Carbon Disclosure Project Report

CG Information provided in the Corporate Governance section of DEXUS Property Group Annual Report 2008

CR&S 2007 Information provided in the DEXUS 2007 CR&S Report

EXP Explanation of GRI indicators omitted or identified for future reports are listed at the end of index on page 51

Notes and explanation of GRI indicators omitted or identified for future reports

Further explanation

3.5 Guidance on defining report content

The content for this report has been guided by our CR&S strategy, achievements and progress against agreed action plans. We have used the Global Reporting Initiative (G3) criteria to inform the extent and detail of our reporting.

3.10 Explanation of any re-statements of information provided in earlier reports

There has been no re-evaluation of data used within this report. All information contained in this report is supported by our Annual Report.

3.11 Significant changes from previous reporting periods, in the scope, boundary, or measurement methods applied

Since our last report we have continued to refine our systems and processes for determining our entire portfolio's environmental impact. This year our German properties have been included in our estimates of our GHG emissions for the first time.

3.13 Practice of seeking external assurance for the report

The financial data used in this report is an extract from our Annual Report and has been verified and audited. We have not applied assurance standard AA 1000 to the verification of the non-financial content and indicators in this report.

4.8 Mission or value statements, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation

We have a Code of Conduct in place to guide our people to ensure that their conduct meets the highest ethical and professional standards.

4.11 Precautionary Principal

DEXUS does not explicitly reference the precautionary approach in its risk management framework. However, in day-to-day operations, we employ sound risk management practices, which are described throughout this report. Where environmental challenges are viewed as material and likely to impact on our operations, we undertake a risk assessment and may modify our processes and procedures to account for these risks.

EC3 Coverage of the organisations defined benefit plan

DEXUS complies with all relevant Australian legislation in regards to superannuation, which requires DEXUS as an employer to contribute 9 percent of an employees total remuneration package to a designated superannuation fund.

EC4 Financial assistance received from government

The GRI G3 Guidelines describe this as significant financial assistance received from a government in comparison with taxes paid as a measure of the host government's contribution to the reporting organisation. Having regard to the nature of our businesses, we do not believe that DEXUS is a significant or material recipient of subsidies other than deductions allowed by tax legislation for all relevant or qualifying tax payers. Therefore, on the basis of materiality we have not reported this information.

EC5 Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation

100 percent of standard entry level wages are above minimum wage levels at our significant location of operation.

EC6 Policy, practices and proportion of locally based suppliers at significant location of operation

Our Supply Chain Strategy is outlined on pages 22 and 23 of our 2007 CR&S Report. All new or renewed contractors must comply with the Principles of Fair Contracting which is annexured to our standard forms of contracts. In our operations we have a preference for using locally based suppliers.

EC7 Local hiring procedures and proportion of senior management hired from the local community

DEXUS hires employees based on merit and the appropriateness of their skill set for any advertised position. The majority of our employees are hired from within the region in which each of our businesses operates. We source and recruit our employees using local recruitment providers and vacancies are also advertised internally to ensure existing team members have the opportunity to progress their career.

EC8 Development of infrastructure investments and services provided primarily for public benefit

Our business operates primarily within the existing built environment. When we invest in new developments they generally connect to existing infrastructure and supporting facilities.

EC9 Understanding and describing significant indirect economic impacts, including the extent of impacts

Our operations are primarily situated within the built environment; we take great care to ensure we connect to existing infrastructure and deliver economic benefit to the local traders within the areas of our operations.

Further explanation (continued)

EN1-EN2

Apart from energy and water, the majority of materials are used in the maintenance and refurbishment of our properties. Maintenance materials include carpet, ceiling tiles, and lamps and tubes for lighting. These materials are recorded on a site by site basis but in future reporting periods will be recorded as part of our new data capture system. Materials used in the refurbishment of our properties are dictated by the builder and measured by a quantity surveyor. Where one of our properties is aiming to achieve a green star rating, the materials would be selected on the basis of their environmental rating under such schemes the Federal government's Good Environmental Choice scheme.

Other materials used include office consumables such as paper for printing, toners and other stationery. We are endeavouring to improve our selection and recording of these consumables. Currently we are considering suitable replacements for our office consumables through the green options provided by our corporate supplier. Significant work has been done to source paper with the most recycled content at competitive rates. Further information will be available in the next reporting period.

EN5 Energy saved due to conservation and efficiency improvements

Our major environmental impacts arise from our building portfolio, from equipment we use and our day-to-day corporate activities.

Our key activities that lead to direct energy efficiency improvements include:

- Improving operational performance and efficiency of existing building equipment through appropriate maintenance and tune up programs
- Replacing and retro fitting end of life equipment and systems with energy efficient options
- Assessing our office based activities for energy efficiency opportunities
- Education and training programs focused on broadening the knowledge and skill sets of our property management teams
- Engaging our customers and tenants in managing their energy consumption through events such as Earth Hour

This year we continued to improve how we monitor and manage our energy performance. We are constantly working to improve our data capture to ensure robust data sets on our environmental performance. This will help us to better monitor and manage trends and track progress of our overall resource (energy, water and waste) consumption. This reflects on the effectiveness of the resource reduction programs we have implemented.

We continue to improve our ability to report on our energy use in Australia. Our energy management contractor has helped us record and verify energy procurement and audit our energy use at representative sites, including the purchase of Green Power across our Office portfolio and for our corporate head office.

EN8 Total water withdrawal

All DEXUS water withdrawal is from regionally based water authorities. Our water withdrawal is principally to service base building services such as toilet amenities and cooling towers.

The introduction of our data capture system will enable water consumption data for each property across our portfolio to be reliably captured for future reports. Within our office and retail portfolio we have very robust data but it is the industrial sector that presents the greatest opportunity for improved data collection.

All data collected and calculations are based upon the consumption of resources managed by the landlord in the 'base building' and exclude resources arising from tenant activities.

EN9 Water sources significantly affected by withdrawal of water

DEXUS operates in regions facing challenging water shortages however all of our water requirements comes from regionally based water authorities. We have been combining our portfolio wide water saving initiatives such as those listed within our Minimum Green Opportunities with industry and regulatory schemes.

EN10 Percentage and total volume of water recycled and reused

DEXUS is currently rolling out a diverse range of water savings initiatives across its portfolio and across each of the sectors. These initiatives range from rainwater harvesting at our industrial parks and waterless urinals throughout our office portfolio including our head office. Refer to case studies on pages 36 and 37 for further detail.

EN11-EN15 Biodiversity

DEXUS operates primarily in metropolitan areas and our developments are generally on brown-field sites, thereby limiting our biodiversity footprint and impact on ecosystem services such as water, air, soil, flora and fauna.

We have assessed our interaction with ecosystem services and perceive our greatest impact is through our activities in the areas of:

- land use (our property portfolio and infrastructure)
- extraction (our use of natural resources for building materials)
- outputs (our emissions, including GHG emissions)

We measure and report on our performance in regard to biodiversity principally via:

- internal and external reporting
 - the Carbon Disclosure Project (CDP)
-

EN12 Description of significant impacts on biodiversity

There are no major or direct impacts on biodiversity associated with DEXUS operations.

EN20 NOx, SOx, and other significant air emissions by type and weight

The only source of NOx from DEXUS operations would be emitted from fuel combustion. We contribute indirectly to emissions of SOx through our purchase of electricity.

Further explanation (continued)

EN21 Total water discharge by quality and destination

Our primary water discharges are storm water discharges from hardstand areas and rooftops of buildings.

EN22 Total weight of waste by type and disposal method

In 2006 we commenced waste profiling across our property portfolio and recorded our waste to landfill for that year. Due to the uncertain nature of the collection of this data we have instigated a review of our waste management practices across our portfolio. Starting with the office portfolio we have engaged the services of waste consultants who will be reviewing our current waste management practices and importantly the collection of waste data to improve the monitoring of and recycling rates. For 2008/09 we will be able to report more accurately in this area including portfolio against targets.

To ensure waste is disposed of in accordance with applicable legislation our property management teams access waste management procedures via our online Environmental Managers Manual. In addition we require our waste management contractors to be licensed and all waste management documentation is reviewed annually by external auditors to ensure compliance with our procedures.

EN23 Total number and volume of significant spills

There have been no significant spills from any DEXUS facility in the reporting year. DEXUS has a small number of fuel storage facilities, which are used for fuel in back-up power supply and fire pump operations.

EN24 Weight of transported hazardous waste

DEXUS does not produce hazardous waste as a byproduct of its operations. If hazardous waste exists at one of our properties, such as asbestos, it would be transported by a licensed contractor. Refer to explanation EN22 for waste transport and disposal methods.

EN25 Impact of water discharges

Water discharges from our properties primarily emanate from storm water runoff and occasionally from cooling towers and manufacturing processes conducted by our tenants. Our Environmental Management Program recognises water discharge as a potential risk and we undertake site inspections and annual audits to ensure that all water leaving our properties complies with regulatory requirements as a minimum.

In addition, we require that any potential pollutants used at our properties, such as chemicals and fuels, are stored within secondary containment, ensuring that storm water pollution and associated ecosystem degradation is prevented.

EN27 Percentage of products sold and their packaging materials that are reclaimed by category

This indicator is not relevant to the types of products and services provided by our business.

EN28 Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations

DEXUS has complied with all environmental law and regulations applicable to our operations and as a result we have not received any significant fines or non-monetary sanctions for non-compliance during 07/08.

EN30 Total environmental protection expenditures and investments by type

DEXUS recognises that by investing in sustainability we not only reduce our environmental footprint but add value to our properties and the services we offer and in turn attract potential tenants and employees to our business. Over the last year we have made a significant investment both at a property cost level and at a capital expenditure level implementing refurbishment and future-proofing projects.

LA1 and LA2 Employment and turnover information by region

At the time of writing this report, DEXUS does not collate statistics on these measures by region.

LA3 Benefits provided to full time employees that are not provided to temporary or part time employees

In general, DEXUS provides the same benefits to its full time employees as it does to its permanent part-time employees.

LA4 and LA5 Percentage of employees covered by collective bargaining agreements and minimum notice period(s) regarding operational changes

DEXUS does not have any collective agreements as all employees are employed under individual contracts. There is a one month notice period for termination in DEXUS employment contracts.

LA8 Serious diseases – policy, prevention, risk control, training

In Australia and New Zealand, serious diseases are covered by our OHS&L policies and processes. In general, DEXUS deals with serious diseases as it would other long-term illness. Each year the Group reviews the adequacy of existing OH&S policies, programs and training for risks such as pandemic disease outbreaks. All recommendations are implemented and updated procedures were instigated.

LA9 Health and safety topics covered in formal agreements with trade unions

DEXUS does not have any formal agreements with trade unions as all DEXUS employees are employed under individual contracts.

We do, however, have a Corporate Occupational Health and Safety (OH&S) management program which actively involves employees and includes: joint management employee OH&S; participation of worker representatives in OH&S inspections; training and education; complaints and committees.

LA14 Ratio of basic salary of men to women by employee category

DEXUS has a commitment to attract and retain the best employees. We remunerate our employees above award or basic salary levels.

Further explanation (continued)

HR1 Screening of significant investments – human rights

Our operations are in Organisation for Economic Co-operation and Development (OECD) countries which have legislation covering human rights issues.

HR2 Percentage of significant suppliers and contractors that have undergone screening on human rights

DEXUS retenders contracts with service providers on a periodic basis. As outlined in our Supply Chain Strategy, on pages 22/23 of our 2007 CR&S Report, all new or renewed contractors must comply with the Principles of Fair Contracting which is annexured to our standard forms of contracts.

HR4 Total number of incidents of discrimination and actions taken

We are pleased to report that there were no incidents of discrimination or violation of indigenous rights reported against DEXUS in 07/08.

HR5 Operations identified in which the right to exercise freedom of association and collective bargaining may be a significant risk, and actions taken to support these rights

Within the areas of our operation, DEXUS recognises our employees' rights to exercise freedom of association and collective bargaining.

HR6 Child labour

DEXUS employs an adult professional workforce in all countries in which it operates.

HR7 Forced and compulsory labour

DEXUS does not engage in forced or compulsory labour. We employ a professional workforce in each country in which we operate.

HR8 Percentage of security personnel trained in the organisation's human rights policies or procedures

As with explanatory note HR2, our supply chain strategy applies to all Security contracts servicing our properties. All security personnel are engaged under contracts complying with our Principles of Fair Contracting which encompasses human rights policies.

HR4 and HR9 Total number of incidents of discrimination and violations involving rights of indigenous people and actions taken

We are pleased to report that there were no incidents of discrimination or violation of indigenous rights reported against DEXUS in 07/08.

S02 Percentage and total number of business units analysed for risks relating to corruption

DEXUS has extensive risk management policies and processes in place. We have in place a Code of Conduct, which all employees are made aware of, and must complete training on. We also have operational procedures in place, for relevant areas, so we can reduce the risk of corruption. Relevant policies and procedures include:

- gifts, benefits and entertainment
- inside employee trading
- anti-money laundering and counter-terrorism financing
- transaction registration, conflict clearance and related party dealings

All employees within all business units are required to provide a declaration, every quarter, that they complied with DEXUS's Code of Conduct. Adherence to the above policies and procedures is recorded by business units on a quarterly basis, subject to ongoing monitoring by Compliance and supported by an internal audit program .

S03 Percentage of employees trained in organisation's anti-corruption policies and procedures

All DEXUS employees receive induction and refresher training on our anti corruption policy and procedures – see S02 comment

S04 Actions taken in response to incidents of corruption

DEXUS has recorded no incidents of corruption during the reporting period. Please review our corporate governance policy and structure at www.dexus.com/corporate-governance.aspx

S05 Public policy positions and participation in public policy development and lobbying

DEXUS does not currently have a formalised policy on participation in public policy development and lobbying, however, all employees are required to conduct themselves in an appropriate manner that does not bring the Group's reputation into disrepute.

S06 Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

We have strict rules regarding the payment or acceptance of gifts or benefits to and from third parties, as set out in our Gifts, Benefits and Entertainment Compliance Policy. This policy prohibits, without the approval of our CEO, financial or in-kind contributions to political parties and politicians. No gifts, benefits or donations were made to political parties or politicians in 07/08.

S07 Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices

There were no legal actions brought against DEXUS for anti-competitive, anti-trust or monopoly practices during 07/08.

S08 Significant fines and non-monetary sanctions for non-compliance with laws and regulations

There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations brought against DEXUS during 07/08.

PR1 Life-cycle stages in which health and safety impacts of products and services are assessed and percentage of products/services subject to such procedures

This indicator is not relevant to the types of products and services provided by our business. However, we do recognise our duty of care, as expressed within our OHS&L programs. As part of this we have a Property OHS&L program which identifies, manages and monitors OHS&L practices.

Further explanation (continued)

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services

DEXUS recognises its responsibilities in regards to complying with OHS&L regulations and voluntary codes concerning our properties. No incidents of non-compliance have been recorded during the 07/08.

PR3 Type of product and service information required and percentage of products and services subject to such requirements

Each of our key businesses meet product and service information and disclosure requirements relevant to the countries in which our products and services are sold.

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling

There have been no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling during 07/08.

PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing communication

To ensure appropriate and accurate customer communications, all marketing and communications materials are reviewed and signed off by the respective Heads of Marketing and Communications, Legal, Compliance and the relevant Property or Corporate department.

We also have in place a unique, online Marketing Approval Database to facilitate this sign-off process, which also acts as a database and audit trail for all external marketing and communications materials. Further information is provided on page 17 of our 2007 CR&S Report.

PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing and communications

There were no incidents of non-compliance with regulations and voluntary codes concerning marketing and communications during the 07/08.

PR8 Total number of substantiated complaints regarding breaches of customer privacy

DEXUS has numerous policies in place to ensure customer privacy and compliance with applicable regulations and laws. There were no substantiated complaints against DEXUS regarding breaches of customer privacy during 07/08.

PR9 Significant fines for non-compliance with product responsibility laws and regulations

There were no significant fines for non-compliance with product responsibility laws and regulations during the 07/08.

GRI Application Level

Reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criterion that is presented in the column for the relevant level.

This CR&S report was prepared to meet the requirements of application Level A.

We have reported against the three main types of disclosures contained with the GRI G3 Guidelines:

Strategy and Profile: Disclosures that set the overall context for understanding our performance such as strategy, profile, and governance.

Management Approach: Disclosures that cover how we address a given set of topics in order to provide context for understanding performance in a specific area.

Performance Indicators: Indicators that elicit comparable information on the economic, environmental and social performance of our business.

This aligns with the Report Application Level guide illustrated below:

REPORT APPLICATION LEVEL		C	C+	B	B+	A	A+
STANDARD DISCLOSURES	G3 Profile Disclosures	Report on: 1.1 2.1 – 2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report Externally Assured	Report on all criteria for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	G3 Performance indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of social, economic and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

* Sector supplement in final version.

GLOSSARY

Australian Building Greenhouse Rating (ABGR)	Managed nationally by the NSW Department of Environment and Climate Change (DECC), and locally by leading state greenhouse agencies, the ABGR scheme assists office building owners and tenants to reduce energy use and costs, and reduce greenhouse gas emissions. www.abgr.com.au/index.asp
Biodiversity	The variety of life on earth – plants, animals and microorganisms, the variety of genetic material they contain and the ecological systems in which they occur.
Carbon Disclosure Project (CDP)	As stated on the CDP website, an independent, not-for-profit organisation aiming to create a lasting relationship between shareholders and corporations regarding the implications for shareholder value and commercial operations presented by climate change. www.cdproject.net/index.asp
Carbon footprint	The direct effect an organisation's operations have on the environment in terms of carbon dioxide emissions, including electricity use and employee travel.
Carbon Reduction Institute	The Carbon Reduction Institute offers carbon neutral certification. For more information go to www.noco2.com.au
Carbon Offset Watch	A partnership between the Institute for Sustainable Futures, the Total Environment Centre and CHOICE which independently ranks Australian offset providers www.carbonoffsetwatch.org.au
Climate change	Also known as global warming, refers to the build up of greenhouse gases (GHG), primarily carbon dioxide, in the atmosphere, resulting in changes to our climate and weather systems.
Equal Employment Opportunities (EEO)	As defined on the Australian Government website for Equal Opportunity in the Workplace, EEO in a workplace context means that all employees have equal access to the opportunities that are available at work. This means all employees are treated with fairness and respect in that they are not subject to discrimination or harassment in the workplace. Equal Opportunity is an outcome, not just a process.
Future proof	The assessment of a building's environmental performance and subsequent capital works to ensure the building can perform in the changing environment now and in the future.
Global Reporting Index (GRI)	A globally recognised framework through which organisations – companies, public agencies, non-profits – can transparently report on economic, environmental and social sustainability.
Green Cleaning contracts	DEXUS's Green Cleaning Contract sets out specific environmental requirements including the use of green cleaning products and methods, recycling programs, and use of energy and water efficient equipment.
Green Power	Renewable energy sourced from the sun, the wind, water and waste that is purchased by an organisation's energy company on its behalf. greenpower.gov.au/home.aspx
Green Building Council Australia (GBCA) Green Star	An environmental rating tool for commercial office design and construction, which evaluates a building's impact against eight environmental impact categories.
Green Building Council Australia Green Star Office Existing	Rates the environmental attributes of existing office buildings, independent of tenant operation and behaviour.
Greenhouse Gas (GHG)	The build up of gases, such as carbon dioxide and methane, in the atmosphere that absorb energy from the sun.
Landfill	A method for disposal of solid waste on land whereby the waste is compacted and covered with soil to minimise the effects on the environment.
Resources	For the purposes of this report, DEXUS defines resources as energy and water, and waste to landfill.
Leadership in Energy and Environmental Design (LEED) Green Building Rating System™	The nationally accepted benchmark in the US for the design, construction, and operation of high performance green buildings. An initiative of the US Green Building Council.
Smart metering	Also known as advanced metering systems, smart meters are electronic devices which track "real time" resource (electricity, gas and water) consumption, allowing all consumption data to be measured, tracked and monitored remotely.
tCO₂e	Tonnes of carbon dioxide equivalent



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www.dexus.com/sustainability

