

2025

# SUSTAINABILITY REPORT





### Acknowledgement of Country

Cbus Property acknowledges the Traditional Custodians of Country, on which our projects stand and where members and Elders of Indigenous communities have been custodians for millennia. We pay our respects to Elders past, present and emerging, and acknowledge the rich living culture and unique role that Traditional Owners play in our regions.

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# A MESSAGE FROM OUR CHAIR



Our legacy will be the exceptional communities we deliver, where people want to live, work and shop.



Cbus Property Chair  
Georgina Lynch

**It is with great pride that we share with you Cbus Property's 2023 Sustainability Report.**

Our vision for Cbus Property is to create world-leading places to live, work and shop. We take a leadership approach to everything we do and continue to set ourselves apart from our peers through our developments and investments that are of world-class sustainability standards and the highest quality and longevity.

Cbus Property is responsible for the strategic performance and management of all aspects of the Cbus Super direct property investment business. With this responsibility comes a commitment to a sustainable and future-proofed property portfolio that not only offers investment certainty today, but long-term value creation for decades to come.

The Cbus Property Board is responsible for the business' strategic performance and plays a pivotal role in ensuring that our strategy aligns to our purpose and values. Cbus Property is proud of the results outlined in our sustainability report

as a testament to delivering on our core values, as we continue to invest in the property and construction industry that employs our members.

Cbus Property will be here for the long term and as such, we are always looking to the future. We develop our projects to be sustainable, resilient and regenerative, considering the evolving needs and expectations of our customers and stakeholders.

The sustainability outcomes that Cbus Property has delivered this year demonstrate that we continue to challenge ourselves and our industry to resounding success. Our legacy will be the exceptional communities we deliver, where people want to live, work and shop.

# A MESSAGE FROM OUR CEO



We are proud of the many 'firsts' we achieved in FY23 and we will continue to commit to these investments because we know they will last.



Cbus Property Chief Executive Officer  
Adrian Pozzo

**Cbus Property aspires to deliver the most sustainable property portfolio in Australia, if not the world.**

It was this aspiration driving our recent co-branded sustainability campaign with Cbus Super, underpinned by our tagline, Sustainable By Design.

To us, Sustainable By Design means that we consider sustainability in all decisions we make, from how we design our new developments and how we manage our investments, to how we integrate sustainability into all aspects of our business.

Sustainable By Design also means developing with people in mind, whether by enhancing the experience of our tenant partners; delivering exceptional-quality, healthy homes for our valued purchasers and residents; ensuring safe workplaces for our construction contractors; or fostering a diverse and inclusive work environment for our people.

We have set ambitious but imperative sustainability targets to minimise our environmental impact and mitigate risks; and we ensure that each of our sustainability credentials is independently verified to confirm we are meeting our targets.

This year, Cbus Property was once again named a GRESB Sector Leader for our Investments. Our office portfolio was certified net zero carbon by the Climate Active Carbon Neutral Standard for Buildings eight years ahead of schedule, and it achieved average 6 Star Green Star Performance and International WELL Building Institute Health Safety ratings.

We have been recognised as a leader in the 2023 NABERS Sustainable Portfolios Index, ranking first nationally for NABERS Waste and fourth for NABERS Energy and Indoor Environment. This confirms, for the third consecutive year, that Cbus Property has the most environmentally sustainable office portfolio in Australia.

We are also on track to have Australia's first portfolio fully certified by the Cleaning Accountability Framework with three more buildings certified in FY23.

With industry-leading developments like 83 Pirie Street, Adelaide's first all-electric building, and 435 Bourke Street in Melbourne's CBD, with its innovative world-first solar panel facade, Cbus Property hopes to inspire other property companies around the world to build a more sustainable future for all.

# FY23 HIGHLIGHTS

Cbus Property is proud of our FY23 achievements, which move us closer to meeting our 2025 Sustainability Strategy goals.

Our results this year demonstrate our enduring commitment to positive sustainability outcomes for our business, customers and the communities in which we operate and show leadership in the development and management of sustainable buildings.



## 2023 NABERS Sustainable Portfolios Index

1st in Australia – most sustainable office portfolio for the third year running



## GRESB 2023

Regional Sector Leader for Investments



## CAF

Achieved CAF certification at three additional buildings in FY23, bringing the total to eight out of 11 eligible buildings in the portfolio



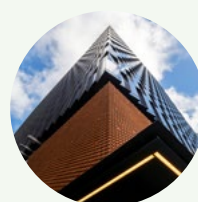
## Third green loan

Successfully closed our third green loan under our Sustainable Finance Framework, for our 311 Spencer Street investment



## Shopping centres powered by 100% renewable electricity

100% renewable electricity procured at Pacific Fair Shopping Centre and Macquarie Centre from 1 January 2023



## Certified all-electric office building 83 Pirie Street, Adelaide

- ✓ 6 Star Green Star Design & As Built
- ✓ WELL Precertification
- ✓ 5 Star Green Star Interiors
- ✓ Platinum WiredScore

# CBUS PROPERTY

Cbus Property is a wholly owned entity of Cbus Super, the industry superannuation fund for the construction, building and allied industries, with funds under management exceeding \$85 billion at 30 June 2023.

# ABOUT CBUS PROPERTY

Cbus Property is responsible for the strategic performance and management of all aspects of the Cbus direct property investment business, including major investments and developments in the commercial office, residential and retail sectors.

The property portfolio currently exceeds \$6 billion, with a further \$5 billion of development work 'in hand', making Cbus Property one of Australia's leading integrated property investors and developers.

With offices in Melbourne, Sydney and Brisbane, Cbus Property is renowned for creating developments and transforming precincts with a rare synergy between ourselves; our tenant partners; our purchasers and residents; and our project teams.

We are committed to using our extensive experience in the delivery of developments and in the management and ownership of our property portfolio investments, to set new benchmarks for sustainability. Cbus Property has built a legacy of developing office, retail and residential buildings to the highest sustainability standards, delivering positive environmental, social and economic outcomes. In an ever-evolving approach to sustainability, Cbus Property is aspiring to develop and manage the most sustainable buildings in Australia, if not the world.

## Our values:

### We are driven by



Courage



Passion



Openness



Accountability

### Delivering excellence for



Our People

Work environment, culture and opportunities.



Our Members

Returns, jobs and safe work.



Our Partners

Exceptional place and experience, trusted and capable.

83 Pirie Street, Adelaide





# BUSINESS STRATEGY

**Cbus Property's purpose is to build a legacy by creating exceptional properties and places. To do this, we have integrated Environment, Social and Governance (ESG) into every aspect of our business strategy.**

Our reputation, recognised locally and internationally, has been established throughout the past 17 years and has been built on the foundations of strong returns and sustainability principles.

Our role in the property and construction industry is unique. As a wholly owned entity of Cbus Super, we invest in construction that delivers strong long-term returns, while also adding value to the economy and creating employment opportunities for our members. We uphold the highest standards of sustainability and safety because we are determined to build a better future for our members and our industry.

This ethos is reflected in our culture and values. Cbus Property is committed to providing the best working environments. The 19 per cent increase in employee headcount in the two years to the end of FY23 shows that our employee value proposition is strong, and our ability to maintain an 88 per cent engagement score during this period of growth is testament to our culture.

Our team works tirelessly to respond to evolving market needs and identify a pipeline of industry-leading projects. We continue to strengthen and refine our 'Sustainable By Design' principles and this year launched a co-branded campaign with Cbus Super to clearly articulate Cbus Property's focus on building for a sustainable future.

Understanding the needs of our customers has never been more crucial and is our focus for future success. Our ongoing engagement with existing and prospective office tenants confirms that office space is now part of the employee value proposition. Employee retention, attraction and wellbeing have become bigger priorities for many corporate occupiers than cost. This sits alongside the growing desire to demonstrate a clear and genuine commitment to sustainability.

**We believe buildings with strong sustainability credentials and flexible working environments that maximise wellbeing and collaboration will deliver higher tenant demand over time.**

Our purchase of two leading shopping centres in late 2021 was representative of Cbus Property's ability to identify mis-priced opportunities and nimble execution. Both centres have enjoyed a strong rebound in customers choosing physical retail destinations and retail spending is at record highs. Our active management style has focused on sustainability enhancements, improved customer amenities and value enhancing development opportunities.

Cbus Property also sees the residential market as integral to our ongoing success. A significant under supply of housing across Australia will create opportunities for residential developers that can deliver high-quality, sustainable product.

Cbus Property is poised to capitalise on the opportunities ahead. Our business strategy positions us to deliver growth in the coming years, consolidate our market advantage and seize opportunities that continue to deliver strong returns for Cbus Super members.



## 28%

Cbus Property  
headcount in  
FY22-FY23

## 88%

Employee  
engagement  
score in FY23

# FINANCIAL PERFORMANCE

Cbus Property's portfolio continues to outperform our peers, delivering consistent, strong returns and showing resilience despite market uncertainty.

Cbus Property's positive return of 0.5 per cent is evidence of that resilience and is in contrast to the industry average return of negative 1.3 per cent. Since its inception in 2006, Cbus Property has achieved an average return of 14.1 per cent.

Underpinning this resilience is a strategy founded on innovation and diversification. Our shift into the retail sector began in 2021 with the purchase of a 46 per cent share in the Australian Core Retail Trust, which comprised ownership of 80 per cent of **Pacific Fair Shopping Centre** and 50 per cent of **Macquarie Centre**. Our share in ACRT increased to 50 per cent in October 2022 with the purchase of the 20 per cent balance of Pacific Fair.

As we diversify, we are increasing our focus on residential developments, leveraging the trusted Cbus Property brand to deliver high-quality, sustainable homes that are built to last.

Pacific Fair Shopping Centre, Gold Coast



## 14.1%

Average return since inception



## \$6.0 billion

Gross property portfolio



## 67

Employees



## 100,000+

Direct jobs created since 2006

# OUR INVESTMENTS

'Quality' remains the foundational principle behind our investment portfolio – and this approach has helped Cbus Property to deliver consistent above-market returns, provide a strong revenue stream and support the growth of our business.

Sustainability has been integrated into our investment management approach from day one. From acquisition to management, we assess key sustainability risks, including climate, environment and community.

Our 2025 Sustainability Strategy establishes key goals and targets to continue to elevate our operational performance, drive leadership and deliver a world-leading sustainable investment portfolio.

## Investment portfolio 2025 sustainability strategy:



**Net zero carbon by 2030**

✓ Office portfolio



**Green Star  
Performance 6 Stars**

✓ Office portfolio



**Cleaning Accountability  
Framework certified**



**100% renewable  
electricity for base  
building**

✓ Office portfolio  
✓ Shopping centres



**NABERS Waste 6 stars\***

75% recycling rate



**NABERS Indoor  
Environment 6 stars \***



**NABERS Energy 6 stars**



**NABERS Water 5 stars**

\* Office only, rating not available for shopping centres



## OFFICE PORTFOLIO

Cbus Property is well positioned to create the world's most sustainable portfolio and to meet the evolving needs of our tenant partners.

Throughout the past few years, the 'flight to quality' has seen tenants shift towards premium office space with strong sustainability credentials. Tenants also expect higher standards of amenity, and space that supports health and wellbeing.

We continually evolve our sustainable design philosophy to deliver the next generation of sustainable office buildings, making them net zero carbon, healthy and resilient for the future.



# \$3.5

Billion gross value



# 76%

Of tenant partners are government, ASX200 or major legal firms



# 90%

Tenant satisfaction rating  
Campbell Scholtens survey



# 97%

Occupancy



# 9.1

Years WALE  
(Weighted Average Lease Expiry)



### 1 William Street, Brisbane

- CAF – 3 Star pending
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 6 Star
- Green Star Performance – 6 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 6 star
- NABERS Waste – 3.5 star
- NABERS Water – 4.5 star
- WELL Health-Safety



### 140 William Street, Perth

- CAF – 3 Star certified
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 5 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 5 star
- NABERS Waste – 3.5 star
- NABERS Water – 3.5 star
- WELL Health-Safety



### 171 Collins Street, Melbourne

- CAF – 3 Star
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 6 Star
- Green Star Performance – 6 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 6 star
- NABERS Waste – 6 star
- NABERS Water – 5 star



### 311 Spencer Street, Melbourne

- CAF – 3 Star certified
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 6 Star
- Green Star Performance – 6 Star
- NABERS Energy – 5 star
- NABERS Indoor Environment – 5 star
- NABERS Waste – 4 star
- NABERS Water – 5.5 star
- WELL Health-Safety



### 313 Spencer Street, Melbourne

- CAF – 3 Star certified
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 5 Star
- Green Star Performance – 6 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 6 star
- NABERS Waste – 4.5 star
- NABERS Water – 5 star
- WELL Health-Safety



### 447 Collins Street, Melbourne

- CAF – 3 Star certified
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 6 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 6 star
- NABERS Waste – 4 star
- NABERS Water – 3 star
- WELL Health-Safety
- WELL V1 Platinum certified (precertification)



### 5 Martin Place, Sydney

- CAF – 3 Star certified
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 5 Star
- Green Star Performance – 5 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 5.5 star
- NABERS Water – 4.5 star
- NABERS Waste – 3 star



### 720 Bourke Street, Docklands

- CAF – 3 Star certified
- Carbon neutral certified by Climate Active
- Green Star Design & As Built – 6 Star
- Green Star Performance – 6 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 5.5 star
- NABERS Water – 6 star
- NABERS Waste – 5 star
- WELL Health-Safety
- WELL Platinum certified



### 83 Pirie Street, Adelaide

- CAF – 3 Star certified
- Green Star Design & As Built – 6 Star
- Green Star Performance – 6 Star
- NABERS Energy – 5.5 star (designed)
- Net zero carbon in operation (design) – all electric
- WELL Precertification
- 20% reduction in upfront carbon (428 kg CO<sub>2</sub>-e per GFA)
- Platinum WiredScore

## RETAIL PORTFOLIO

Cbus Property continues to diversify our portfolio strategically, with assets with high sustainability credentials that enhance the social capital of local communities.

Cbus Property and UniSuper finalised the purchase of two of Australia's largest regional shopping centres in October 2021, with the acquisition of interests in **Pacific Fair Shopping Centre** on the Gold Coast and Sydney's **Macquarie Centre**.

Both assets are not only two of Australia's premier retail destinations; they are also among the country's most energy-efficient shopping centres, boasting 5.5 star NABERS Energy ratings in 2023. The GPT Group was appointed as fund manager of our shopping centre assets in December 2022. There is a strong alignment with The GPT Group on sustainability leadership, with a current focus on energy efficiency, operational data analytics and waste diversion.

**The Langston Epping**, anchored by an IGA supermarket, was officially launched to the community in November 2022. The second annual The Langston Weekender festival was the perfect launch pad, with a family-friendly day of fun, celebration and entertainment featuring market stalls, art workshops, food, music and an official ribbon cutting ceremony.



# \$1.4

Billion (gross asset value)



# \$2.1

Billion combined moving annual turnover (MAT)

Cbus Property has ownership in two centres that had a combined MAT exceeding \$2.1 billion in FY23



# 29.4

Million combined customer visits



# 4.6

Years WALE  
(Weighted Average Lease Expiry)





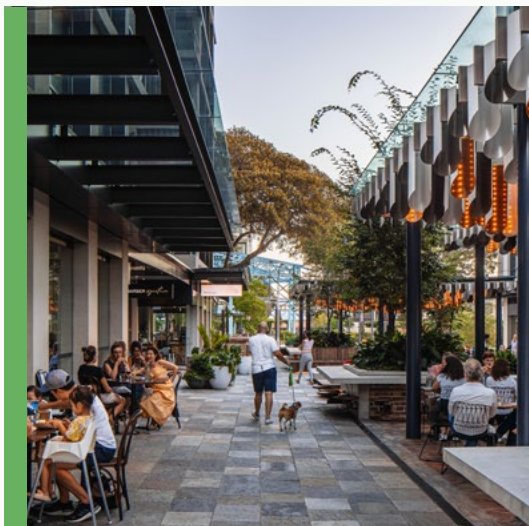
### Pacific Fair Shopping Centre, Gold Coast

- Green Star Performance – 3 Star
- NABERS Energy – 5.5 star
- NABERS Water – 4 star



### Macquarie Centre, Sydney

- Green Star Performance – 3 Star
- NABERS Energy – 5.5 star
- NABERS Water – 3.5 star



### Newmarket Dining at Newmarket Randwick

- Onsite solar PV
- Community engagement activities
- Organics recycling



### The Langston Epping (ground-plane retail)

- Precinct activation placemaking strategy
- Community engagement activities
- Organics recycling

# OUR DEVELOPMENTS

Exceptional sustainable design is a fundamental principle of all our new office, retail and residential developments.

Cbus Property has a current pipeline of work exceeding \$5.0 billion, with sustainability embedded in the fabric of each asset.

Our sustainable design targets set the future vision for our development projects – and our Sustainable By Design philosophy translates those targets into real world results.

## What does that look like?

**435 Bourke Street** in Melbourne boasts one of the world's first solar skin facades. The building was designed to achieve net zero carbon in operation, with the solar skin generating an estimated 20 per cent of its base building electricity on site.

**83 Pirie Street** in Adelaide is one of Australia's first all-electric office towers. Behind the building's eye-catching sawtooth facade is an efficient, all-electric powerhouse.

These next-generation assets illustrate how we keep pace with a rapidly evolving market, embed best-practice standards and processes, and meet our members' expectations.

## Aspirational sustainable design targets for 2025:



Designed to achieve net zero carbon in operation\*



90% re-use or recycling of materials from construction and demolition



WELL Platinum certification  
Commercial



6 Star Green Star certification  
5 Star minimum



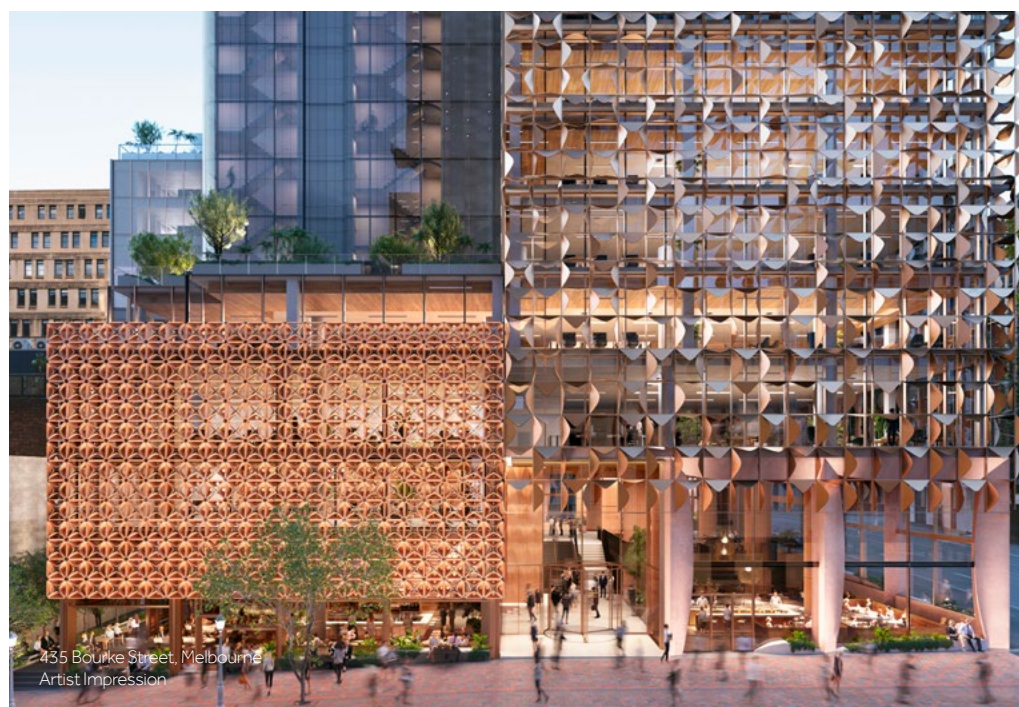
100 per cent of projects to have climate risk assessments



Minimum 5.5 star  
NABERS Energy design  
Commercial

\* To find out how we define 'Designed to achieve net zero carbon in operation', please refer to our Climate Change section on page 25.





Average NatHERS  
rating of 8 stars  
Residential





## COMMERCIAL OFFICE DEVELOPMENTS

Our current office development pipeline features approximately 150,000 square metres of net lettable area across Brisbane, Melbourne, Perth and Sydney.

As a signatory of the World Green Building Council's Advancing Net Zero project, Cbus Property has pledged that all buildings we own, manage or develop will be operating at net zero carbon by 2030.

To meet this commitment, we have implemented a net zero carbon strategy which requires all new developments to be delivered to our net zero carbon standard. Each building will be verified through the Climate Active Carbon Neutral Standard for Buildings once it has been operational for 12 months.

With a completion value exceeding \$2.5 billion, our pipeline includes:

### 435 Bourke Street

Our latest world-class commercial development in Melbourne. Commonwealth Bank has committed to leasing approximately 15,000 square metres across eight levels and further tenant commitments are in the process of being secured.

### 9 The Esplanade

A joint venture with Brookfield Properties and our first foray into the Perth office market following our success with **140 William Street** more than a decade ago. Architecturally designed by REX and Hassell, the Premium Grade office building of approximately 32,500 square metres is 40 per cent leased to anchor tenants EY, Hub Australia and Multiplex.

### 205 North Quay

Our second commercial office development in Brisbane following our success with **1 William Street**. 100 per cent pre-committed to a government tenant, the landmark office tower will comprise 43,700 square metres of office space across 30 levels, as well as a wellness floor, 18-metre open-air public plaza, retail offerings, signature dining experiences and an auditorium.



**\$2**

Billion commercial pipeline



**150,000**

Square metres net lettable area



**100%**

Net zero carbon design  
(All electric)



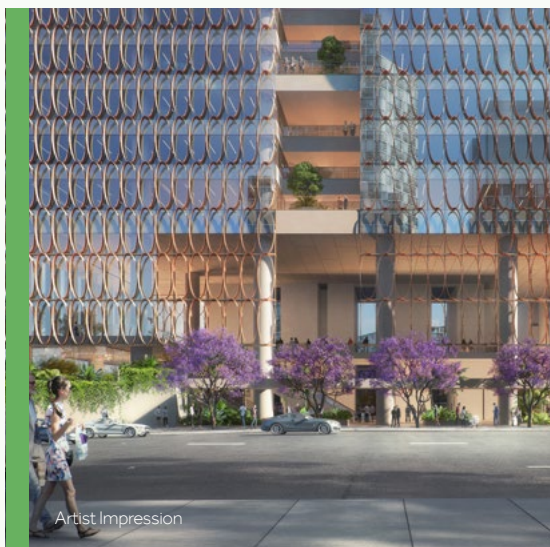
### 121 Castlereagh Street, Sydney

- Green Star Design & As Built – 6 Star (registered)
- NABERS Energy – 5.5 star (designed)
- WELL Platinum certified (registered)
- Net zero carbon in operation (design) – all electric



### 9 The Esplanade, Perth

- Green Star Design & As Built – 6 Star (registered)
- NABERS Energy – 5.5 star (registered)
- WELL Gold certified (registered)
- Net zero carbon in operation (design) – all electric



### 205 North Quay, Brisbane

- Green Star Design & As Built – 6 Star (designed)
- NABERS Energy – 5.5 star (registered)
- Net zero carbon in operation (design) – all electric



### 435 Bourke Street, Melbourne

- Green Star Buildings – 6 Star (registered)
- WELL Platinum certified (registered)
- NABERS Energy – 5.5 star (registered)
- Net zero carbon in operation (design) – all electric

## RESIDENTIAL DEVELOPMENTS

The Cbus Property brand is synonymous with sustainability, transparency and trust – and this is a powerful market advantage as we expand our residential footprint.

Cbus Property has signed up to the Green Building Council of Australia's Future Homes program because we are determined to lead in the residential sector. Sustainability is a core value of Cbus Property's value proposition.

Our extensive market research has confirmed that Australians are looking for sustainable homes. They want comfort, health, lifestyle, amenity and efficiency – all hallmarks of high-quality, sustainable homes.

At the same time, buyers – especially those purchasing off the plan – equate sustainability with quality and longevity. Off-the-plan purchasers say trust in the developer is one of the top two driving factors of their decision. We know there is a clear link between trust and verified sustainability, which is why we have set Green Star rating targets for all new projects, and will have those targets independently verified.

In August 2022, we launched the fifth release in our **Newmarket Randwick** multi-stage masterplanned community in Sydney's eastern suburbs. **The Chiltern Collection** comprises 11 boutique three- and four-bedroom multi-storey terrace homes, due for completion in late 2024.

Our \$300 million **17 Spring St** residential development in Melbourne's CBD reached practical completion in March 2023. The Bates Smart design sits comfortably in its surroundings and, despite the challenges of COVID-19, more than 2,000 jobs were created on site throughout construction.

**443 Queen St** is anticipated for completion by the end of 2023 with Andrew McConnell's highly anticipated Supernormal restaurant to open in the street-level retail space in mid-2024. As Brisbane's first premium subtropical residential tower, **443 Queen St** makes the most of the natural light, fresh air and subtropical climate.



# \$3.0

Billion value (on completion)



# 1,400+

Apartments





### 17 Spring St, Melbourne

(Completed March 2023)

- NatHERS 7 stars average
- Rainwater capture and reuse
- Electric vehicle charging enabled



### 111 Castlereagh St, Sydney

- NatHERS 7.6 stars average
- Electric vehicle charging enabled
- Induction cooking



### 443 Queen St, Brisbane

- Green Star Design & As Built – 6 Star (designed)
- NatHERS 7.5 stars average
- Electric vehicle charging enabled



### Como Terraces, South Yarra

- NatHERS 6.6 stars average
- Rainwater capture and reuse
- Electric vehicle charging enabled
- 50% landscaped site coverage
- Onsite solar PV 90kW and solar sharing technology
- Induction cooking



### Newmarket Randwick, Sydney (Stage 2)

- NatHERS 5.5 stars average
- Electric vehicle charging enabled
- Onsite solar PV 40kW

# SUSTAINABILITY STRATEGY

Our Sustainability Strategy is focused on the most material matters to ensure we add value to our business and to our stakeholders — our members, our customers and the community.

**"Building a sustainable tomorrow by creating buildings of the future today."**

Our 2025 Sustainability Strategy outlines opportunities to generate positive outcomes for the environment, our communities and our members.

**Cbus Property's Sustainability Strategy is focused on three key themes:**

**- Better Buildings**

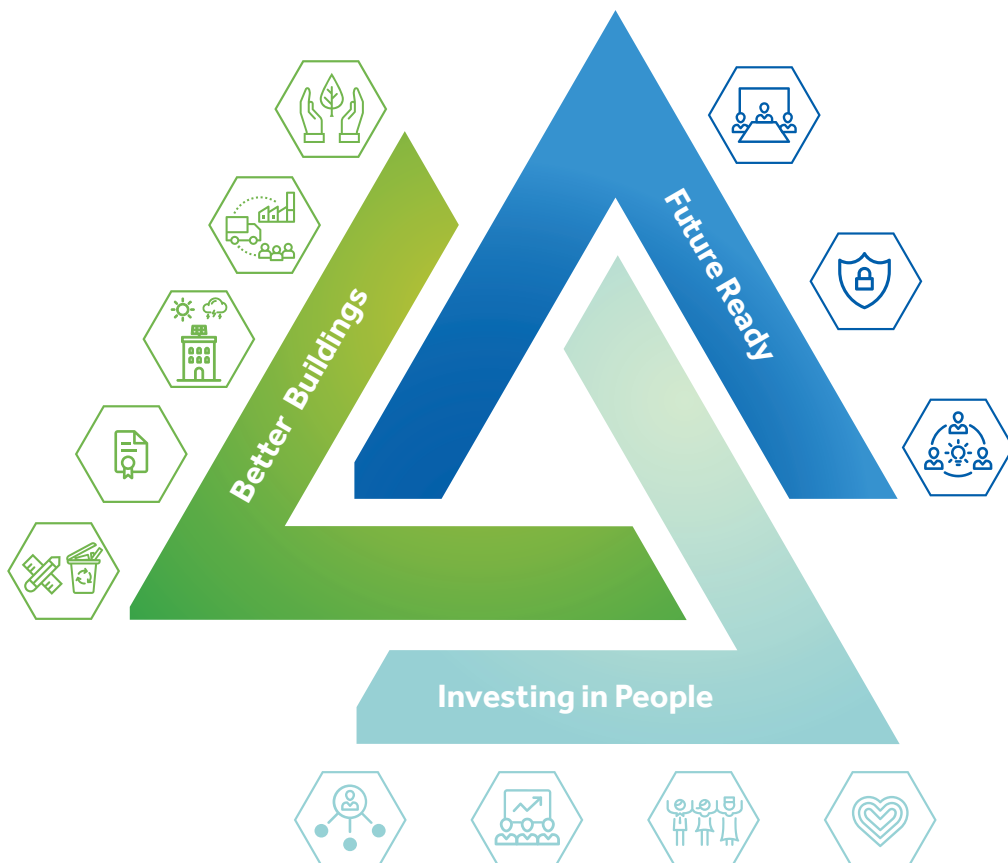
Creating and managing world-leading sustainable buildings. Delivering positive outcomes for the environment, our communities, our suppliers, our customers and our tenant partners.

**- Investing in People**

Creating healthy, happy and inclusive communities for people to work, shop and live.

**- Future Ready**

Being ready to tackle the risks and opportunities of the future. Implementing robust systems that future-proof our investments, and safeguard the long-term value of our business.



**Risk Management  
& Materiality**

Our Sustainability Strategy focuses on our most material Environmental, Social & Governance (ESG) risks and opportunities to create value for our stakeholders and members.

**Environment**

- Environmental Impact
- Climate Change

**Social**

- Community engagement
- Diversity and inclusion
- Employee value and workplace
- Human rights (Modern Slavery)
- Work health and safety (WHS)

**Governance**

- Business continuity
- Compliance
- Conflicts of interest
- Culture and Conduct
- Cyber and IT systems security
- Fraud and corruption
- Supply chain management

# BETTER BUILDINGS

Cbus Property strives to set new benchmarks for sustainable buildings – so that they are not just better but the best. In doing so, we will leave a lasting legacy of industry-leading buildings that generate long-term value for our members.

Our strategic pillar 'Better Buildings' reflects our aspiration to create and manage world-leading sustainable buildings that deliver positive outcomes for the environment, the communities in which we operate, our tenant partners, residents and purchasers, consultants

and other customers. We actively strive that the buildings we acquire, develop and manage are designed to, and operate at the highest sustainability standards, while also helping the occupants and customers of our buildings to live and work more sustainably.

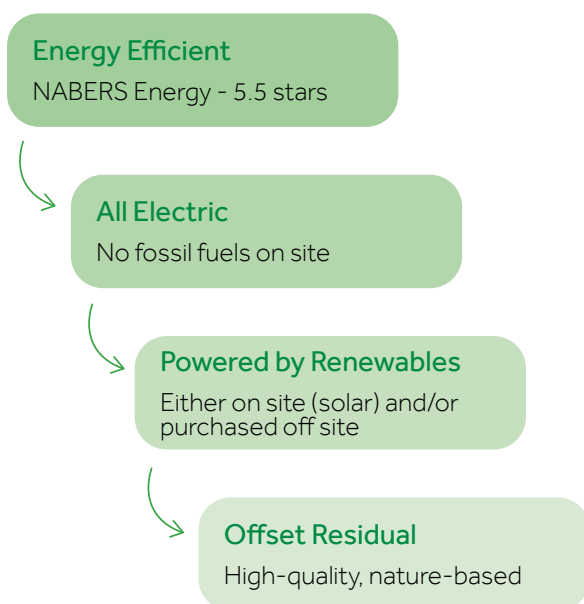


# CLIMATE CHANGE

Cbus Property is committed to contributing to the transition to a low-carbon economy and paving the way to a net zero carbon future.

Climate change is a material risk for our business and a key focus area in our Sustainability Strategy. Cbus Property is actively decarbonising our investments, developments and supply chains to limit our exposure to climate-related transition risks, and to meet the expectations of our tenant partners, residents, employees, members, stakeholders and the community.

## Zero carbon approach



<sup>1</sup> Designed to be net zero carbon in operation' refers to a project that meets our net zero carbon strategy design criteria, which is an all-electric, 5.5 star NABERS Energy-rated building, powered by a combination of onsite and offsite (committed) renewable electricity.

## Operational Carbon

Cbus Property is actively making the low-carbon transition and paving the way to a net zero carbon future.

We prioritise meaningful carbon reductions and only use offsets for hard-to-abate emissions. We are investing in on-site renewable energy as well as offsite renewable electricity agreements, which now cover 100 per cent of office buildings and shopping centres. This means we have addressed our Scope 2 carbon emissions and are now focused on Scope 1 and Scope 3.

We are working on the electrification of our buildings and how we can continue to improve their energy efficiency. We are also designing new buildings to net zero carbon<sup>1</sup> standards, aligned with the Climate Active Carbon Neutral Standard for Buildings, which includes Scope 1 and Scope 2, and some Scope 3 emissions. We use the same standard to certify the carbon neutrality of our office portfolio.

### Office portfolio

In 2022, each office building in Cbus Property's portfolio was certified under the Climate Active Carbon Neutral Standard for Buildings. This is a voluntary standard, recognised by the Australian Government, that demonstrates a building is carbon neutral in operation. Cbus Property's certification can be verified on Climate Active's website (<https://www.climateactive.org.au/buy-climate-active/certified-members/cbus-property>).

### Retail portfolio

In July 2022, we began purchasing 100 per cent renewable energy for **Pacific Fair Shopping Centre** on the Gold Coast. We also began purchasing 100 per cent renewable energy for Sydney's **Macquarie Centre** in January 2023 and we are currently developing a net zero carbon plan for this asset.

## Electrification

Cbus Property is working on electrification plans for our investment portfolio. This requires long-term planning and a holistic approach to overcome a range of challenges and constraints. We recognise electrification represents a significant opportunity to further decarbonise our buildings, mitigate exposure to gas markets, reduce the need for offsets, and prepare our business for changes to the NABERS rating protocol which will reward all-electric buildings.

Delivering all-electric buildings is a future-proofing activity but it also demonstrates Cbus Property's commitment to industry leadership and innovation.

We are also committed to fully electrifying our residences, including all kitchen appliances, and in FY23, we joined the Global Cooksafe Coalition. As a foundation partner of the coalition, Cbus Property is committed to fossil-fuel-free cooking in new buildings by 2030 and in existing buildings by 2040.

## Renewable Electricity

In late 2022, ACRT, the shopping centre investment vehicle of which we own 50 per cent, signed a power purchase agreement to secure 100 per cent renewable electricity for our shopping centres, **Pacific Fair Shopping Centre** and **Macquarie Centre**. This not only ensures our centres are powered by clean, green energy, but we are also helping to decarbonise the electricity network by bringing additional renewable demand onto the national energy market. The agreement began on 1 January 2023. This has increased the renewable electricity for our retail portfolio to 79 per cent overall and reduced the carbon intensity of the retail portfolio by 88 per cent in FY23.

We continue to source 100 per cent renewable electricity across our office portfolio, and are currently investigating how to help our tenant partners to also purchase affordable renewable electricity.

## Embodied Carbon

Cbus Property has set a minimum 20 per cent embodied carbon reduction target for all new projects. We are also challenging our team with an aspirational target of net zero upfront embodied carbon on any projects commenced after 2025.

Embodied carbon accounts for approximately 25 per cent of a typical building's total carbon emissions footprint throughout its lifetime. Embodied carbon emissions are difficult to eliminate because some of our most common building materials, like concrete and steel, are made with processes that are not easy to decarbonise.

To translate our embodied carbon reduction targets into real world results, we are investigating new products and materials, looking at repurposing and upgrading existing buildings and recycling construction materials. Cbus Property continues to collaborate with our construction and supply chain partners to drive down carbon emissions associated with building materials and ensure more comprehensive recycling of construction materials.

### Embodied carbon targets:



# 20%

Reduction in embodied carbon for all new projects



# Net Zero

Upfront embodied carbon for any projects commenced after 2025

### What does this look like?

At Melbourne's **435 Bourke Street** – our new premium commercial development of 64,000 square metres – we are targeting a 40 per cent reduction in embodied carbon by carefully considering all elements of the design, materials selected and construction methods. We are using concrete and steel that will be verified by Environmental Product Declarations or other certifications schemes for their low or zero carbon content. Our builder partner, Multiplex, has committed to a low-carbon construction site with the help of battery and electric cranes that are powered by renewable electricity. This is the first project in Victoria to use 100 per cent renewable diesel (HVO100) for equipment and machinery.

### Achievements



# 100%

Renewable electricity utilised at Pacific Fair Shopping Centre and Macquarie Centre



# 100%

Renewable electricity utilised across our office portfolio from July 2021

## CASE STUDY

### Como Terraces shares solar benefit

Como Terraces, our boutique collection of 39 modernist residences in South Yarra, proved the perfect design for the introduction of world-first technology developed by Melbourne-based Allume.

Allume's SolShare breaks down the technical and ownership barriers that have historically prevented apartment residents from accessing cheaper and cleaner energy from the sun. SolShare shares solar energy from a single rooftop solar system among multiple dwellings within the same building.

Installing SolShare at Como Terraces allowed us to increase the solar capacity from around 14kW to 90kW. This means we can provide around 2kW of solar power to each residence, as well as to common areas.

We have found other opportunities to encourage the shift away from fossil fuels, incorporating induction cooking and enabled for electric vehicle (EV) charging stations.

### The result?

Como Terraces was designed to achieve an average 6.6 star NatHERS rating, and with its extra solar capacity, the energy consumption of each unit is 40 per cent less than standard energy consumption for apartments, which will equate to an estimated \$500 per year in annual electricity bill savings based on average household costs in Victoria.



Como Terraces, South Yarra  
Artist Impression

# RESOURCE EFFICIENCY AND RESPONSIBILITY

We are focused on reducing our impact on the environment by continually finding efficiencies in our energy and water consumption and reducing our waste to landfill.

We track the environmental performance of all of our investments, including our retail precincts and shopping centres, using an environmental data system.

For more detail on our environmental performance, refer to page 40.





## Energy

Energy efficiency reduces our environmental impact and our operating costs. We are always exploring new technologies and strategies to reduce energy consumption.

In FY23, we reduced the energy intensity of our office portfolio by six per cent when compared to FY22.

We continue to investigate new opportunities to improve energy performance across the portfolio, from building tuning and optimisation to investment in capital projects. Three standout successes this year illustrate our efforts.

In December 2021, **447 Collins Street's** energy-efficient design was confirmed with a 5.5 star NABERS Energy rating – half a star higher than the original design target. Since then, we have maintained this rating and, through commissioning, tuning and a laser focus on operations, reduced energy consumption by a further 18 per cent. This puts **447 Collins Street** in the top four per cent of NABERS energy-rated buildings in Australia – a stellar result.

Also in Melbourne, **311 Spencer Street** received a 5 star NABERS Energy rating in 2022 – a half a star increase on 2021, its design target. This result is thanks to various building tuning initiatives in line with the NABERS 6 star roadmap. The upward trend continues, with the asset presently tracking at 5.4 stars, and a 15 per cent saving in electricity consumption and 25 per cent saving in gas consumption realised in FY23 compared to FY22.

## Water

Conserving potable water remains a key focus for Cbus Property. Our office portfolio has reduced water consumption in like-for-like properties by 32 per cent in FY23 when compared to the baseline year of FY19. Recycled water and rainwater now account for four per cent of our office portfolio's water consumption.

However, overall water consumption has increased across both our office and retail portfolios, mainly due to an increase in foot traffic and the operations of our buildings, which is consistent with what is being seen across the industry.

Every bathroom at **5 Martin Place** in Sydney is now metered to identify leaks. We have replaced all faulty valves on cold water and sprinkler tanks, which has helped us to drive down water consumption by 10 per cent year-on-year.

At Melbourne's **171 Collins Street**, we continue to invest in technologies that maintain our water-efficient design. This year, we installed Caroma's Smart Command system in our end-of-trip and on-floor bathroom refurbishments to enable our building managers to monitor water use in real-time and make better informed decisions.

We also installed Caroma Smart Command across all floors and end-of-trip facilities at **83 Pirie Street** in Adelaide. Not only can our building management team make improved decisions to save water, the latest in touch-free technology is more hygienic and requires less cleaning and maintenance.



# 32%

Reduction in water consumption across office portfolio in FY23 when compared to FY19



# 4%

Of water consumption is recycled water and rainwater across the office portfolio

# SUSTAINABILITY STANDARDS AND CERTIFICATIONS

We use industry standards and benchmarks to measure our sustainability performance and verify how our buildings stack up against best practice and world leadership.

## NABERS

NABERS has driven energy, water and waste efficiency since 1998.

In 2023, Cbus Property was recognised as an industry leader in the 2023 NABERS Sustainable Portfolios Index. This index, which calculates a rating for portfolios of assets, captures more than a quarter of Australia's office market.

When results across the Energy, Water, Indoor Environment and Waste categories were combined, Cbus Property was ranked the most environmentally sustainable commercial office portfolio in Australia, achieving a total of 19.6 stars out of the possible 24 stars.

Cbus Property also achieved strong results for our retail portfolio, coming second in both the NABERS Energy and Water benchmarks.

We consolidated our leading position in NABERS Waste rankings, achieving a portfolio rating of 4.1 stars – an achievement the NABERS team hailed as “an impressive gain” on the 3.8 stars achieved in 2022.

**There is a story behind every star rating but the achievements at three buildings stand out:**

### 171 Collins Street, Melbourne

Maintained its high NABERS rating performance to a total 23 stars out of a possible 24 and was rated Australia's best performing building in 2023.

### 140 William Street, Perth

Achieved an uplift of 0.5 stars to its Waste rating, raising it to 3.5 stars and demonstrating the team's commitment to continuous improvement. It also increased its NABERS Energy rating to 6.0 stars with Green Power, and maintained the 5 star NABERS Indoor Environment rating.

### 311 Spencer Street, Melbourne

Received a 5 star NABERS Energy rating, an increase on its original design rating of 4.5 stars in 2021. This result is thanks to various tuning initiatives and a laserfocus from the onsite property team to reduce energy consumption. The upward trend is continuing and **311 Spencer Street** is presently tracking at a 5.4 star NABERS Energy rating. We are aiming to reach 5.5 stars by the end of 2025.

The NABERS results for Cbus Property's office portfolio are available online and show:



		2023	2022	2021	2020
OFFICE	<b>NABERS Energy</b> Average star rating	4 <sup>th</sup> 5.4 stars	3 <sup>rd</sup> 5.5 stars	1 <sup>st</sup> 5.5 stars	1 <sup>st</sup> 5.5 stars
	<b>NABERS Indoor Environment</b> Average star rating	4 <sup>th</sup> 5.5 stars	2 <sup>nd</sup> 5.4 stars	5 <sup>th</sup> 4.1 stars	7 <sup>th</sup> 5.4 stars 49%*
	<b>NABERS Waste</b> Average star rating	1 <sup>st</sup> 4.1 stars	1 <sup>st</sup> 3.8 stars	1 <sup>st</sup> 3.5 stars 66%*	2 <sup>nd</sup> 3.9 stars 34%*
	<b>NABERS Water</b> Average star rating	9 <sup>th</sup> 4.6 stars	7 <sup>th</sup> 4.8 stars	5 <sup>th</sup> 4.1 stars	4 <sup>th</sup> 3.9 stars
SHOPPING CENTRE	<b>NABERS Energy</b> Average star rating	2 <sup>nd</sup> 5.5 stars	1 <sup>st</sup> 5.0 stars		
	<b>NABERS Water</b> Average star rating	2 <sup>nd</sup> 3.8 stars	4 <sup>th</sup> 3.9 stars		

\*Refers to portfolio covered by NABERS ratings as the exception to a 100% portfolio coverage.

## Green Star Performance

Cbus Property uses the Green Star Performance rating tool to benchmark our office buildings against best practice as we progressively improve their operational performance as we transition to net zero.

The Cbus Property Green Star Performance portfolio, which contains six office buildings, has achieved a 6 Star Green Star rating.

Two buildings were certified as part of our co-owners' portfolios – **171 Collins Street** with a 6 Star Green Star Performance rating and **5 Martin Place** with a 5 Star Green Star Performance rating.

We plan to add any new buildings, such as **83 Pirie Street** in Adelaide, into our Green Star Performance program once they are operational for more than 12-months. While most of our buildings boast the highest 6 Star Green Star rating, the certification process is a valuable benchmarking exercise that has helped Cbus Property's building management teams to identify opportunities to improve our assets over time.



### Green Star Buildings

In our quest to be the world's most sustainable property investor and developer, Cbus Property has embraced the next generation Green Star Buildings rating tool to inform the design and construction of our new developments.

Cbus Property achieved our first Green Star rating for **550 Bourke Street** in 2008, one of the first in Australia, and since then, we have secured dozens of Green Star ratings to independently verify our designs, construction and operational performance.

Green Star, launched by the Green Building Council of Australia in 2003, continues to evolve to reward best practice and beyond – and as it evolves, we do too.

Our 6 Star Green Star target for **435 Bourke Street**, for instance, is ambitious and is pushing our builders and suppliers to innovate at speed. By setting challenging targets within our supply chains, we are creating demand for more sustainable and responsible building materials.

In FY23, our **205 North Quay** project in Brisbane achieved its 6 Star Green Star Design review, along with **83 Pirie Street** achieving a 6 Star Green Star Design & As Built rating.



### WELL Certification

Cbus Property strives to provide working and living spaces that enhance the health and wellbeing of our customers, employees and communities.

Our team has extensive experience with the WELL Building Standard. In 2017, **720 Bourke Street** became the first existing building in Australia to be awarded the coveted WELL Gold certification for core and shell.

In 2022, Cbus Property officially launched its WELL at Scale Program with the International WELL Building Institute. This process is helping us to apply best-practice health and wellbeing principles across Cbus Property's portfolio – and importantly, positively influence the lives of more than 11,000 people who occupy and frequent our buildings. We submitted our first ever WELL at Scale submission in May 2023 and will be able to report on our portfolio results in FY24.

This year, we submitted on the first round of WELL precertification for **121 Castlereagh Street**, which joins our other WELL-rated assets, **447 Collins Street** and **720 Bourke Street** in Melbourne.

### The following buildings have achieved WELL Health-Safety ratings and 6 Star Green Star Performance ratings:

- 1 William Street, Brisbane
- 313 Spencer Street, Docklands
- 140 William Street, Perth
- 447 Collins Street, Melbourne
- 311 Spencer Street, Docklands
- 720 Bourke Street, Docklands



1 William Street, Brisbane; 140 William Street, Perth; 311 & 313 Spencer Street, Melbourne



# CASE STUDY

## South Australia's first all-electric office building, 83 Pirie Street

When 83 Pirie Street reached practical completion in August 2022, it signalled the start of a new era for commercial office accommodation in South Australia. Spanning 30,000 square metres across 22 levels, this 'next generation' workplace is one of the largest commercial office developments in the state and home to the Government of South Australia's Department for Infrastructure and Transport.

More than 2,000 jobs were created on site, following the commencement of construction in November 2020.

Architecturally designed by Woods Bagot, **83 Pirie Street** combines market-leading sustainability, wellness and technology initiatives to capture several firsts for Adelaide. It is the first all-electric, net-zero-carbon-ready building and the first WELL Platinum v2 pilot precertified building.

A 100-kilowatt onsite solar system, combined with a renewable energy power purchase agreement, ensures the all-electric base-building is 100 per cent powered by renewables. Electrification of **83 Pirie Street**, based on current energy prices, will save approximately \$100,000 a year – a saving that gets passed on to our tenant partners.

Cbus Property now has a 'live pilot' and valuable performance data from **83 Pirie Street**, helping us to continue to push the boundaries of best-practice sustainable design in our future developments.

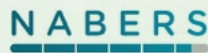
**83 Pirie Street boasts the current design ratings:**



6 Star Green Star  
Design & As Built certified



5 Star Green Star  
Interiors rating certified  
(Department for Infrastructure  
and Transport SA)



5.5 star NABERS  
Energy rating designed



WELL Platinum precertified

# RESPONSIBLE SUPPLY CHAIN

**Cbus Property is committed to creating a responsible, ethical and sustainable supply chain.**

We are using our influence and buying power to deliver sustainable outcomes right across our value chain. We are collaborating with our direct suppliers, including building contractors, architects, consultants and property managers that play a crucial role in our success.

We choose to work with suppliers and building contractors that align with our vision and values, and meet our expectations and high standards of design, construction and operation.

While our indirect supply chain is vast and complex, we are laying the groundwork to understand the ESG risks and opportunities where we can have the greatest positive impact.

## Customer Engagement

Cbus Property's tenant engagement program unites everyone who interacts with our buildings: our tenant partners and their employees; property management teams and external contractors like cleaning, security and logistics; and building services and concierge teams. Our approach aligns with our ESG efforts and those of our tenant partners.

Our tenant feedback improvement program actively seeks input through tenant surveys and other channels. We use these insights to craft tailored and authentic tenant experiences for each asset, helping us to better understand and support important ESG initiatives. Sustainability is a key focus area where we customise tenant experiences, which may involve sharing data on energy-efficiency progress or showcasing our NABERS ratings. Our efforts extend to lobby activations during events like World Environment Day or Earth Hour, as well as assisting tenant partners in procuring renewable electricity or achieving NABERS tenancy ratings.

We collaborate with our tenant partners to deliver high-quality wellness and employee engagement programs each year, exploring new ways to engage them in the sustainability narrative of their building and workshop joint initiatives to advance ESG and net zero goals. For example, 21 per cent of our portfolio has a NABERS Energy tenancy rating, and 12 per cent of our tenants are certified as carbon-neutral organisations with Climate Active. Sustainability is a core value that sparks meaningful conversations with an expanding cohort of our tenant partners.

Looking forward, we aim to raise awareness of the programs our tenant partners support, connecting their purpose with day-to-day activities within their building. We see an opportunity to bring tenant-supported programs to life and directly engage with these causes to support their impact.

In our commitment to reduce our environmental footprint, we are also seeking to harness tenant utilisation data to make informed decisions.



Analysing how our tenant partners use their spaces enables us to optimise resource allocation and minimise waste, tailoring our services to each tenant's needs while enhancing sustainability. We are also exploring circular fitout initiatives that align with our sustainability goals, focusing on repurposing and recycling materials, reducing waste and promoting a circular economy within our investments. By integrating tenant utilisation data and embracing circular fitout strategies, we aim to create more efficient and environmentally responsible spaces.

### Modern Slavery Program

Modern slavery is among the most significant human rights issues facing the world today, and Cbus Property is committed to tackling it across our supply chain.

We recognise the elevated risk of modern slavery in the construction industry, which spans everything from the manufacture of construction materials used to the exploitation of low-skilled migrant workers through subcontracting arrangements.

Throughout the course of 2023, Cbus Property has continued to implement our Anti-Modern Slavery Action Plan. We publish an annual Modern Slavery Statement with our parent organisation, Cbus Super, to meet our obligations under the Modern Slavery Act 2018 (Cth).

We co-host a Modern Slavery Working Group with Cbus Super to coordinate approaches and share information about risks and opportunities to address modern slavery.

We are also collaborating with the property industry, through the Property Council of Australia's Modern Slavery Supplier Platform and have established key criteria to assess responses received from our suppliers.

This centralised platform captures information from suppliers on their policies and practices to mitigate modern slavery risks and standardise information requests. Cbus Property has integrated the supplier platform into our tender and due diligence process for high-risk supply categories. So far, 98 per cent of our 'highest risk' suppliers have completed the Property Council Modern Slavery Supplier Platform questionnaire.

**100%**

Of our high-risk supply contracts (construction, cleaning and security contracts) include a modern slavery clause

**78%**

Of investment assets have a 3-star Cleaning Accountability Framework certification (with a target of 100 per cent by FY24)

**100%**

Of new employees have completed modern slavery training, and all employees have completed their compliance training

**98%**

Of our 'highest risk' suppliers have completed the Property Council Modern Slavery Supplier Platform questionnaire



# MATERIALS AND WASTE

Buildings are huge consumers of materials and generators of waste – but Cbus Property is embracing circular economy principles to ensure our buildings send resources around in a closed loop.

The circular economy rests on three principles: eliminate waste and pollution; circulate products and materials at their highest value; and regenerate nature.

At the heart of Cbus Property's approach is to reframe 'waste' as 'wasted resources'. This means taking active steps to tackle operational, demolition and refurbishment waste. It also means thinking differently about the way we design our developments and how we procure products and services.

This year, we tackled waste from fitout refurbishments. We are now establishing clear standards and frameworks for the procurement of materials and products to ensure refurbishment projects are not only fit-for-purpose, but also fit for the circular economy of the future.

## Operational Waste

Our operational waste target is to divert 75 per cent of waste from landfill to recycling by 2025 – and we are embracing circular economy principles to achieve this target.

Operational waste can be challenging to address because it is dependent on behavioural change and tenant engagement. This year, we have been implementing strategic waste management plans at our buildings. This ensures we deliver a customised, personalised approach to each tenant community – and this approach is already reaping rewards.

In 2023, Cbus Property's office portfolio was once again the highest rated NABERS Waste portfolio, according to the NABERS Sustainable Portfolios Index, for the third year in a row.

## Targets & achievements:



Targeting 75% of operational waste from landfill to recycling by 2025



Cbus Property was the highest-rated NABERS Waste portfolio in 2023, for the third year in a row



5 Martin Place, Sydney



**At 5 Martin Place**, for instance, a waste separation strategy with an additional cleaner stationed in the loading dock to separate waste streams, has helped us to increase the building's recycling rate from 34 per cent in FY22 to 53 per cent in FY23 .

**At 83 Pirie Street**, we are using on-site waste weighing scales backed by a cloud-based reporting system. Materials are separated into eight waste streams including some of the hard-to-address categories like batteries and disposable coffee cups. Again, we have a dedicated cleaning staff member on site responsible for sorting the waste to avoid contamination prior to disposal. The cleaning manager undertakes weekly audits, which are then used as conversation starters with our tenant partners. This strategy is proving a stand-out success, with **83 Pirie Street** currently tracking at a 100 per cent recycling rate when we include the general waste sent to the local waste-to-energy facility. Excluding the general waste proportion, our recycling rate remains at an industry-leading 71 per cent.

**At 447 Collins Street**, our strategic waste management plan includes centralised bins, better signage and new specialist recycling streams. The building's NABERS Waste rating rose from 2.5 stars in FY22 to 4.0 stars in FY23 as a direct result, and is tracking towards a 4.5 star NABERS Waste rating in FY24.

For National Recycling Week in FY23, we hosted a range of activations at **447 Collins Street** to build community and enhance circular economy thinking. Activations ranged from makers' sessions on DIY skincare and beeswax wraps to 'lunch and learn' sessions, and from a recycling quiz with prizes to a clothing drive supporting not-for-profit organisation, Groomed to Go.

## CASE STUDY

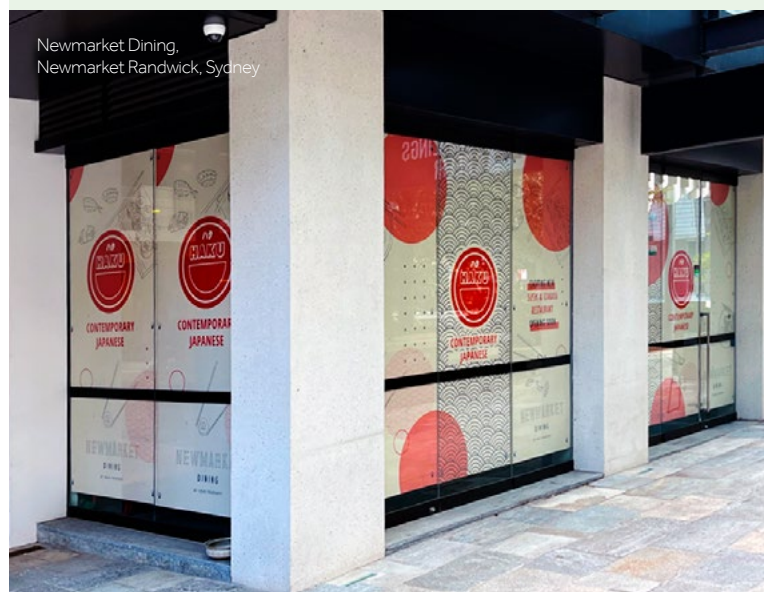
### Rethinking retail hoarding displays with a decal revolution

As we lean into the circular economy, Cbus Property is trialling a range of innovative projects to reduce our waste – such as cardboard decals at Newmarket Randwick in Sydney.

Vinyl decals are commonly used in store window displays but their durability has a downside. Recycling vinyl can be challenging and its production involves extraction of fossil fuels.

Our trial of cardboard rather than traditional vinyl decals for tenancy fit-outs suggests an alternative is within reach. These cardboard decals are durable and can be recycled in a domestic recycling stream at the end of their life. The price is more cost-effective than traditional alternatives and the cardboard panels are so easy to be installed and removed, they do not need the help of a specialist. They can also be used again and again.

Our tenant partner was very pleased with the look and feel of the signage, and we are now looking to scale up the use of cardboard decals across our other retail assets.





# CASE STUDY

## Cleaning Accountability Framework

The Cleaning Accountability Framework (CAF) works across the cleaning supply chain to improve working conditions, champion ethical procurement and introduce best practice.

Cbus Property is a proud member of CAF, which we use to demonstrate our commitment to respectful, safe and fair environments for cleaners.

CAF certification offers an added advantage of being an anti-modern slavery measure. This is because CAF's assessment of labour standards identifies dangerous or substandard working conditions and indicators of modern slavery that may require investigation and remediation.

Cbus Property aims to have the first portfolio in Australia that is fully certified by CAF. Eight Cbus Property assets have been certified, including seven offices and one shopping centre, and the remaining three sites are pending certification.

Our commitment to transparency and accountability is valued by our property management teams. Most of all, our CAF certification ensures that more than 500 cleaners across the country who work in our buildings have access to safe and fair conditions.

## Demolition and Refurbishment Waste

**Cbus Property has set a clear target of 90 per cent recycling for building, construction and refurbishment waste – and this is embedded in our contracts.**

Construction practices, capital works, tenancy fitouts and defits, and refurbishment projects, can generate significant amounts of material that can be reused or recycled.

This year, we exceeded our recycling target, with 96 per cent of waste materials at current development projects either recovered or recycled.

We also continued to advance our new program for managing the waste from refurbishments and tenant fitouts. This recognises that most materials from defits can have a second, third or even fourth life.

We are also working with partners to ensure no defit item goes to landfill. Two defit projects at **720 Bourke Street** are illustrative of our approach.

When one tenant moved out, we partnered with Sustainable Office Furniture to remove the fitout, either rehoming the items through sale or donation, or recycling them. A section of furniture and office equipment was rehomed to the youth charity Lighthouse Foundation.

When another tenant's lease at **720 Bourke Street** ended, we avoided generating waste altogether. Rather than exercising the makegood clause, we worked with the new tenant to adopt the existing fitout - saving time, money and resources.

# 96%

Of waste materials at current development projects either recovered or recycled



720 Bourke Street, Melbourne



# ENVIRONMENTAL PERFORMANCE INDICATORS






Cbus Property measures and monitors environmental performance at an asset and portfolio level. We track data on energy, water, carbon, waste and more to make better decisions that lead to better performing assets.

## 2023 Sustainability Data Pack and Basis of Preparation

Cbus Property prepares a regular data pack to disclose more detailed sustainability performance data. The data found in this report and within the associated 2023 Sustainability Data Pack has been prepared in accordance with Cbus Property's internal sustainability data and reporting methodology or 'basis of preparation'.

## External Assurance

Selected metrics included in this report and the associated 2023 Sustainability Data Pack have undergone an independent external assurance process by KPMG based on the ASAE3000 standard. Please refer to our 2023 Sustainability Data Pack for a copy of the Assurance Statement.

		OFFICE		RETAIL	
		FY23	COMPARED TO FY22	FY23	COMPARED TO FY22
	Energy intensity (MJ / nla)	317	-6%	256	-4%
	Renewable electricity	100%	0%	79%	60%
	Carbon intensity (kg CO <sub>2</sub> -e / nla) (location)	40	-14%	52	-15%
	Carbon intensity (kg CO <sub>2</sub> -e / nla) (market)	8	-13%	14	-70%
	Water (potable) intensity (kL / nla)	369	8%	1,221	8%
	Recycled/reused water	4%	-1%	0	0%
	Waste intensity (kg / nla)	3	14%	21	5%
	Recycling rate	57	8%	43	1%
	NABERS Energy	5.4 stars	-0.1 stars	5.5 stars	0.5 stars
	NABERS Water	4.6 stars	-0.2 stars	3.8 stars	-0.1 stars
	NABERS Indoor Environment	5.5 stars	0.1 stars	n/a	n/a
	NABERS Waste	4.1 stars	0.3 stars	n/a	n/a



# INVESTING IN PEOPLE

Buildings are for people – and Cbus Property puts people at the heart of our business.

We are creating healthy, happy and inclusive places to work, live and shop. Our portfolio of assets is driving positive change by creating jobs and strong returns for our members, great places to live and work for our residents and purchasers, tenant partners and team, and social value within the communities in which we operate.

Cbus Property is committed to a culture of inclusion, diversity and respect – and this philosophy helps us attract and retain the best people.

In FY23, our team grew to 70 full-time employees – a 19 per cent growth rate in 24 months. We are very proud to confirm that 66 per cent of our new hires were women.

We continue to invest in training, development and health and wellbeing initiatives and to create a culture that engages, inspires and encourages our people to collaborate in-person.

# DIVERSITY & INCLUSION

Cbus Property values and celebrates diversity in all its forms – because we know that diversity drives innovation, brings us the best ideas and reflects the communities in which we operate.

Cbus Property promotes a diverse and inclusive workplace where the unique skills, perspectives and life experiences of each employee are valued.

Our Diversity and Inclusion policy and action plan are focused on initiatives across four pillars:



**Inclusive culture:** We foster a culture that values diversity of lived experience, background and thinking, where everyone feels psychologically safe because they are valued and respected for the unique contributions that they make.



**Inclusive careers:** The people policy, job design, hiring and career progression process facilitates the diverse make-up of teams and leadership positions, to enable diversity of thought, experience and background.



**Inclusive leadership and decision-making:**

We build the capability of leaders to seek perspectives different from their own to make considered and effective decisions, drawing on the contributions of team members who are encouraged to offer new ideas and challenge the status quo.



**Inclusive construction, commerce and community:**

We invest in and develop properties based on inclusive design principles that support a diverse range of community members, where applicable, while engaging with our suppliers, partners and stakeholders to influence the industry more broadly.



## Gender Equality

Cbus Property has set targets for gender diversity across all levels of our business. We have achieved our 2024 gender diversity targets in FY23 and our focus is to maintain these levels of representation.

Our Diversity and Inclusion Policy outlines our specific targets, allocates roles and responsibilities for program implementation and details our approach to measuring and monitoring success. This year, 66 per cent of new hires were female.

We monitor the age, gender and pay of our Board members and employees against our targets and benchmarks. Diversity metrics are regularly reported to our Board through formal Board reports. We have reported to the Workforce Gender and Equality Agency (WGEA) <https://www.wgea.gov.au/> since 2014.

Our specific business targets are complemented by engagement in a range of industry initiatives. Cbus Property's Chief Executive Officer, Adrian Pozzo, is one of 26 senior property industry leaders that form the Property Champions of Change Coalition. This coalition is focused on achieving a significant and sustainable increase in the number of women in senior leadership positions across the property industry.

In November 2022, Cbus Property joined other coalition member companies in the 16 Days of Activism campaign against gender-based violence. To raise awareness of the devastating impact of domestic and family violence, 70 prominent buildings – including Cbus Property's **83 Pirie Street, 447 Collins Street, 171 Collins Street, 311 Spencer Street, 720 Bourke Street, 140 William Street** and **1 William Street** – were illuminated in purple for a weekend. Lighting our buildings in purple sent a strong message that we are committed to play our part to end domestic and family violence. We also had members of our Melbourne team participate in the Walk Against Family Violence.

Female composition	2024 GOAL	2023	2022	2021	2020
Cbus Property Board	43%	43%	42%	29%	29%
Executive	40%	43%	29%	29%	25%
Senior roles	40%	40%	29%	29%	25%
All employees	40%	44%	40%	41%	25%

### Targets & achievements:



Achieved our 2024 gender diversity targets in FY23



66% of new hires were female in 2023

### Diversity in Construction

We have set new targets for gender diversity on construction projects – and are trialling innovative approaches to encourage the next generation of female construction workers.

Women make up 12 per cent of Australia's construction industry and just two per cent of trades – and these statistics have remained stubbornly resistant to change, despite the industry's best efforts.

We know achieving gender balance on construction sites, and attracting more women into trades, are long-term challenges and we are actively exploring and addressing the structural barriers. We know trades are high quality, stable jobs that underpin the future of our industry and our nation, and we are determined to play a role in creating inclusive, flexible environments that attract and retain talented women.

We began tracking our results back in 2020. The current figure for live projects is 4.7 per cent (164,900 hours) of total project hours for female workers and management.

We have participated in Women in Construction round table discussions to focus on building female participation and retention in the construction industry. Cbus Property will continue to build on these figures to advance a more diverse construction industry that benefits our business and all our members.

In addition to our gender diversity targets, our appointed contractors must provide a certain number of hours to other under-represented groups, including First Nations people. Again, we see this as a strategy to grow the pipeline of highly skilled construction workers and ensure the sustainability of our industry in the long-term.

### Female and First Nations participation targets:

**30%**

Female participation rate in builder project teams and overall project workforce

**3%**

First Nations representation in overall site workforce and apprenticeships

**3%**

Of apprenticeships are held by women

**3%**

Of total contract value to be procured through First Nations suppliers



## Reconciliation

Cbus Property is focused on building respect, strengthening relationships and growing opportunities for First Nations peoples and communities.

In FY23, we began developing our first 'Reflect' Reconciliation Action Plan. We recognise that the RAP process is a journey and a collaborative partnership with Reconciliation Australia.

A 'Reflect' RAP is focused on scoping and developing relationships with Aboriginal and Torres Strait Islander stakeholders, setting our vision for reconciliation and exploring how we can leverage our business to make positive change.



We formed a RAP Working Group and undertook an employee survey to understand our current level of awareness and cultural knowledge and to identify learning opportunities. We plan to launch our RAP in FY24.

In the meantime, we continue to support reconciliation through a range of initiatives, including in-building activations for National Reconciliation Week and NAIDOC Week, procurement through First Nations businesses and other avenues that celebrate First Nations culture.

In FY23, we launched MAARAKOOL (With Our Hands) – a creative space at **140 William Street** in Perth that showcases Whadjuk Noongar storytelling through art. Two new murals by local artists, Kambarni and Marcia McGuire, were unveiled in Railway and Globe lanes and in July 2022, MAARAKOOL hosted a series of talks and tours, a co-creation mural and printmaking workshops. Later in the year, the Kambarni mural (pictured left) was amplified with an interactive light and sound display for the City of Perth's annual Christmas Lights Trail. These activations attract artists, creatives, young professionals and inner-city workers and celebrate the unique culture and heritage of the place where **140 William Street** stands.

We have set aspirational targets for our new development projects to enhance the Aboriginal and Torres Strait Islander workforce and we are collaborating with our builders and contractors to meet these targets:

- Three per cent First Nations representation in overall site workforce, and three per cent First Nations apprenticeships (based on hours)
- Three per cent of total contract value to be procured through First Nations suppliers.

Since we started recording this data at our development projects, we have provided 2.3 per cent (82,800 hours) of work to First Nations workers and First Nations apprenticeships.

A woman with blonde hair, wearing a black beanie and a dark jacket, is painting a mural on a wall. She is holding a paintbrush and a white cup of paint. The mural features large, stylized black and white patterns. In the background, a modern building with large windows is visible.

# CASE STUDY

## Collins Arch precinct showcases First Nations storytelling

A spectacular artwork spanning 190 metres around the perimeter of Cbus Property's Collins Arch precinct is a powerful symbol of our commitment to centre First Nations storytelling in the heart of our cities.



We are thrilled that Aretha has undertaken this project, as her energy and enthusiasm will contribute to the vibrancy in the dynamic Collins Arch precinct.

Developed by Gumbaynggirr artist Aretha Brown, the artwork celebrates Indigenous history, empowerment and knowledge systems.

Developed in consultation with Elder, Aunty Annette Xiberras, the mural plays homage to a culturally significant site and celebrates the waterways and the rich biodiversity that lined the banks of the Birrarung (Yarra River) prior to colonial settlement. The work also acknowledges First Nations activism and pays tribute to Uncle Jack Charles.

Collins Arch is the largest mural Aretha has undertaken to date, working with a 26-strong crew on shifts.

"It's an honour for me to be able to bring this project to life in such a bold way," Aretha said.

"It's been wonderful to be able to work on this scale with a large crew in such a central part of the city."

The engagement from pedestrians and people observing the process has reinforced Cbus Property's commitment to reconciliation.

Cbus Property Chief Executive Officer  
Adrian Pozzo

# HEALTH AND WELLBEING

The health and wellbeing of people is central to the way we design and operate our buildings.

Our assets have some of Australia's highest ratings for wellness and sustainability. These verifications – which include ratings under the WELL Building Standard, NABERS and Green Star – confirm that our buildings deliver high-quality indoor environments, promote active and healthy lifestyles, and support mental wellbeing.



## 88%

Employee engagement score in FY23

## Our people

Healthy buildings are places where people want to work and Cbus Property is proud that our employees have returned to our offices in consistently high numbers without us needing to mandate days.

Our employee engagement rate has been consistently strong throughout the past few years, with employees reporting an 88 per cent engagement score, as verified by independent employee experience consultant Insync. In FY23, we have seen a strong return to office rate, with most employees averaging four to five days per week in each of our offices across Melbourne, Sydney and Brisbane.

Cbus Property continued to expand its employee Health and Wellbeing Program in FY23. We again provide a wellbeing allowance for each employee to engage in an activity that supports their physical and mental health, whether that is a gym membership, regular massages or new sports equipment.

Our 14-strong Health and Wellbeing Committee arranged a calendar of events focused on supporting physical, social and emotional health. Highlights this year included free skin checks, flu vaccines and therapeutic massages. For World Environment Day, Cbus Property's team engaged in a week-long competition, where points were awarded for sustainably focused activities, including travel on public transport, cycling to work, waste-free lunches and taking wellness breaks. We also encourage our team to connect with health-focused fundraising for events like Australia's Biggest Morning Tea, Oxfam Trailwalker and Sydney's City2Surf.

# SAFETY

## Building Occupants

The world-leading WELL Building Standard guides Cbus Property's approach to health and wellbeing in our workplaces – and we are always searching for new ways to deliver premium health and wellness services to our tenant partners.

Each of our new commercial office developments targets Platinum WELL certification. We have committed to achieving Platinum WELL ratings at our existing office buildings by 2025, using the WELL at Scale portfolio program. In FY23, we achieved WELL precertification at our new development **83 Pirie Street** and underwent our first WELL at Scale portfolio submission.

Cbus Property also uses the NABERS Indoor Environment (IE) rating to measure key metrics associated with best-practice indoor environments, such as temperature, fresh air and lighting. Our office portfolio's NABERS IE rating of 5.5 stars places us fourth in Australia. **1 William Street** in Brisbane, and **171 Collins Street**, **447 Collins Street** and **313 Spencer Street** in Melbourne have achieved the highest possible rating of 6 stars.

Just a few of the activities hosted in FY23 are instructive of our commitment to the health and wellbeing of our tenant partners.

At **447 Collins Street**, we hosted complimentary wellness classes twice a week, including yoga, boxing, Pilates and HIIT classes. Our tenant partners at **447 Collins Street** gained extra encouragement during National Ride2Work Day, with a breakfast pop-up bar in the lobby, as well as free bike servicing.

At **171 Collins Street**, our tenant partners unlock a range of services and amenities, including free health and wellbeing classes, when they access the building app.

Cbus Property is building a sustainable future for all – and that means prioritising safety. We care about the health and safety of workers, including employees and contractors, partners, tenants, other customers and the general public.

Our goal is to eliminate or, when that is not reasonably practicable, minimise the incidence of injury and ill health, promote safe work environments, and ensure that Work Health & Safety (WHS) is proactively managed.

Cbus Property's WHS governance structure, published in the WHS Policy and WHS Information and Procedures Handbook, outlines the applicable safety standards in the workplace and ensures all employees can identify and adhere to the relevant procedures to maintain a safe working environment.

Cbus Property recognises that due to the nature of construction work, WHS risk is material in the industry. WHS information for workers (who are not Cbus Property employees) on Cbus Property developments is summarised below:

Development project safety indicators	FY23	FY22	FY21	FY20	FY19
Fatalities	0	0	0	0	0
Lost time injury rate*	4.09	1.86	0.47	1.70	2.62
Near misses	7	8	7	9	21
First aid injuries	83	117	98	186	265
Medical treatment injuries	30	22	17	29	53

\*(Based on per 1,000,000 hours)



## CASE STUDY

### 423 Bourke Street's BREATH of fresh air

One of the key challenges for building management teams is to deliver high-quality indoor environments, mitigate potential transmission of airborne viruses such as COVID-19, and achieve high energy performance.

To learn more about this delicate balance, Cbus Property struck a partnership with the City of Melbourne and the University of Melbourne and handed over the keys to **423 Bourke Street** in Melbourne's CBD. The building, earmarked for redevelopment and sitting vacant, became the testbed for three different ventilation systems.

Displacement ventilation air-conditioning, in-ceiling air filters and natural airflow through open windows were evaluated by a research team throughout a three-month period. The research team, led by the University of Melbourne, included representatives from AG Coombs, SEED Engineering and Westaflex, with peer review by Aurecon.

All three ventilation systems reduced the potential transmission of airborne viruses when compared to standard ceiling-based air-conditioning. Displacement ventilation air-conditioning – which supplies air at floor level – was the most effective and energy-efficient system tested, reducing COVID-19 transmission by 83 per cent, while also reducing energy consumption by 20 per cent.

Importantly, opening windows reduced virus transmission by 53 per cent but increased energy use by up to 20 per cent with seasonal temperature variations.

The research findings, released in July 2022, attracted significant media attention, contributed to the evidence base for energy-efficient systems, and helped to encourage the safe return of Melbourne CBD office workers.

423 Bourke Street, Melbourne

## TRAINING

Cbus Property offers ongoing professional development to all employees to ensure our business is prepared for the future of work.

We allocate an annual budget for each employee to use towards training and development. In FY23, we invested an average of 31.21 hours of training per person.

Training is considered to be everything from induction, compliance and policy awareness to external leadership courses, from first aid to mentoring and coaching.

Cbus Property runs a comprehensive training program that covers leadership training and technical-related topics. We also support paid study leave opportunities through university-level studies for all applicable employees.

Our Senior Leadership Program, run by the Melbourne Business School, builds skills and capability that support inclusive leadership and underpin our culture and values.

Our Learning Management System supports our compliance training and elevates awareness of compliance, fraud and corruption control, health and safety, modern slavery and sustainability.

Average training hours per employee:

<b>31.21</b> hours	<b>29.95</b> hours	<b>24.52</b> hours
2023	2022	2021

# COMMUNITY

We are building a legacy by creating exceptional properties and places that deliver social value for the communities in which we operate.

In FY23, Cbus Property embarked on a review process to enhance our approach to community engagement programs and to develop a comprehensive community strategy.

## Community Investment

The development of our Community Strategy commenced in 2022. The first phase was to understand our opportunities to make the biggest impact and actions we could take to generate that impact.

We identified several key community focus areas, outlined in a Community Investment Framework, and we are now in the next phase of developing a Community Investment Strategy (CIS) to be delivered in FY24. Our CIS focuses on leveraging our unique business activities to drive social outcomes, and to focus on areas that we can have the most influence and impact.

While the CIS takes shape, we have invested in a series of initiatives to create value in our communities. We developed a new volunteering guide to expand the opportunities for our people to engage in activities that resonate with their values and interests and we amplified our charity partnerships at various buildings and new development projects.

At **1 William Street**, we hosted a range of community charities and events, including the Guide Dog Association for International Guide Dog Day, Daffodil Day, R U OK? Day and International Women's Day.

At **171 Collins Street**, we participated in Earth Hour in March 2023 by de-luminating the building and encouraged our tenant customers to exchange daffodils for dollars to raise money for cancer as part of Daffodil Day in August 2022. These are just two examples of dozens of community-focused initiatives.

## Social Procurement

In FY23, we developed a Social Procurement Plan and established targets across our investment portfolio, development projects and corporate procurement.

We have clear sustainability procurement principles for purchasing goods and services. These include being ethical and responsible, transparent and fair, rewarding stewardship and accountability, and leveraging procurement to help drive positive sustainable outcomes.

Social procurement is a long-term focus for Cbus Property but three 'quick wins' stand out in FY23:



**Meals With Impact:** Each month, our Melbourne team hosts a lunch to build camaraderie and collaborative networks. We order through Meals With Impact, a social enterprise that provides employment opportunities to women from migrant and refugee backgrounds. Cbus Property spent \$3,500 on meals throughout the year.



**Miei Florist:** The flowers that adorn **171 Collins Street** and **720 Bourke Street** in Melbourne are purchased from a not-for-profit florist, with 100 per cent of net profit from all services and products supporting The Smith Family, to help disadvantaged Australian children enjoy a brighter future.



**Good Cycles:** Our tenant customers at **720 Bourke Street** and **447 Collins Street** have access to Good Cycles for free bike servicing. This social enterprise provides training and jobs in bicycle mechanics to people experiencing long-term unemployment and disadvantage.

## CASE STUDY

### Bordeaux House 'Backyard Blitz' community project

Cbus Property is always looking for innovative ways to generate social value in our communities.

This year, our Bordeaux House community project made a small contribution to the big problem of housing affordability while supporting survivors of domestic violence.

When Cbus Property and UniSuper acquired **Pacific Fair Shopping Centre** in 2021, we also acquired some adjacent properties. One of these properties was derelict and sitting vacant.

In May 2023, a group of Cbus Property employees volunteered their time and rolled up their sleeves to help with renovations of the home ahead of it being rented out to a family in need.

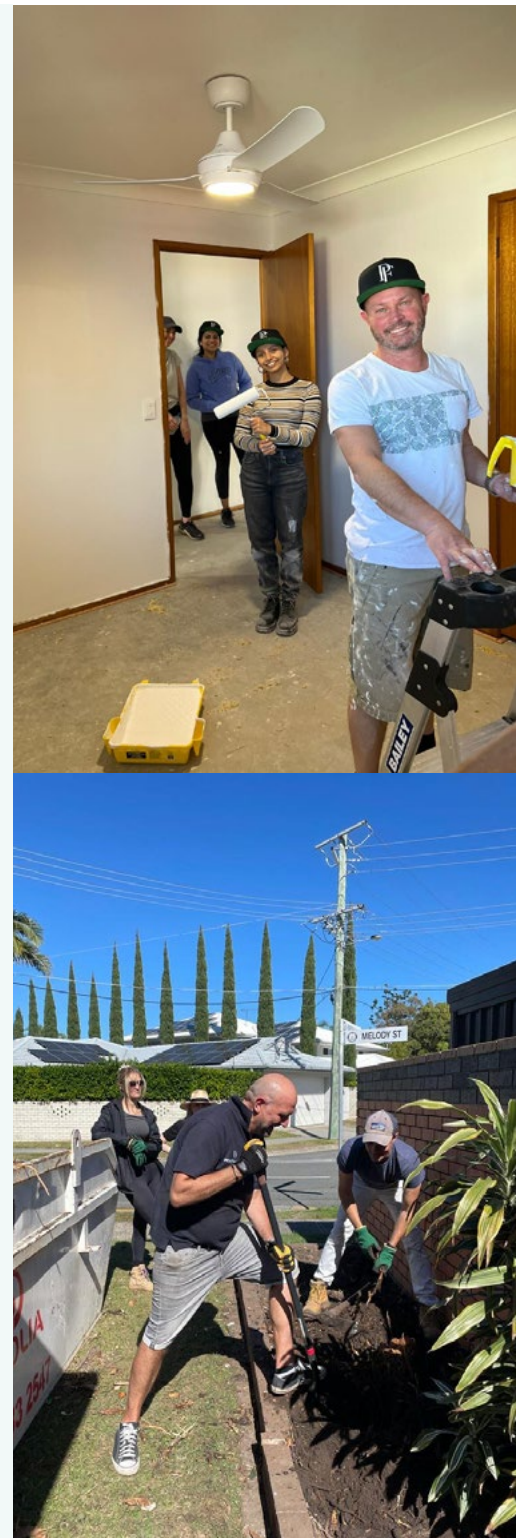
The Pacific Fair Shopping Centre property manager, The GPT Group, also contributed volunteers.

Extra support came from our partner Hutchinson Builders, who donated project management time.

Our team came in, 'Backyard Blitz' style, for two days of intensive work, putting the finishing touches on the home with painting, landscaping and more.

The 50-strong crew contributed more than 600 volunteer hours, or \$80,000 in time, in-kind goods and equipment. The social value will be measured over time.

The project aligned with our Community Strategy, which is currently under development and will help us to continue to deliver on our purpose and maximise the social value we generate through community investment activities.



Bordeaux House, Gold Coast



## Community Engagement

We continue to enhance our approach to community engagement with robust and consistent processes that forge stronger connections with our key community stakeholders.

Our Community and Stakeholder Engagement Framework is being rolled out to new development projects. This framework ensures we proactively engage with stakeholders ahead of the design and development of our projects.

The framework provides a range of tools and processes to ensure our project teams understand who will be impacted, as well as key risks and mitigation measures. These risks can include noise impact, dust suppression, vibration, air quality, traffic and more. We aim to be a respectful neighbour and take a proactive 'no surprises' approach to our engagement.

The framework also identifies opportunities to positively engage with the community, ensuring that we contribute to our local neighbourhood through initiatives such as community days, placemaking activities and raising awareness about the opportunities to work in the industry.

In FY23, we continued our community liaison committees that engage with local businesses, residents and other stakeholders throughout the lifecycle of each project. Regular community briefings and formal processes identify and address community concerns, and complaints are registered and addressed.

We invest in the community by providing support and in-kind goods, equipment and volunteers to local charities and community groups, and we host much-loved community days, including The Langston Weekender festival, which celebrated its second occurrence in November 2022 and had more than 5,000 visitors attend. The festival transformed **The Langston Epping's** public domain for a day of family-friendly fun, featuring market stalls, art, music, dancing and entertainment from well-known local DJ, chef and author, DJ Levins. Cbus Property's Chair, Georgina Lynch, and Chief Executive Officer, Adrian Pozzo, were joined by the Lord Mayor of the City of Paramatta, Councillor Donna Davis, and other key stakeholders to officially launch the project's public plaza and introduce the community to the dynamic retail precinct.



Inglis Park, Newmarket Randwick, Sydney



# FUTURE READY

Long-term sustainability – environmental, social and economic – depends on good governance, innovation and diversification.

Cbus Property is focused on the future. Our strategy of innovation and diversification is underpinned by an enduring commitment to sustainability. With strong governance and robust management systems, Cbus Property is ready to tackle the opportunities and risks of the future and safeguard the long-term value of our business.

As the world continues to change at a rapid rate, it is essential that Cbus Property plans for the future. We aim to stay ahead of the game, to differentiate our product and shield ourselves against market disruption.

We are committed to the property and construction industry and we are in the development business for the long haul. This means using data and technology to gain insights and innovate our product offerings. It means investing in our talented team to push the boundaries of best practice and it means maintaining a laser focus on the resilience of our investments.

# RESILIENCE

To prepare our business, investments and communities for the future, we are looking at our buildings through the lens of resilience.

## Climate Risk and Resilience

Climate risk and resilience are integral parts of Cbus Property's business strategy.

Climate change is a material risk to our business, as identified in our Risk Management Framework, and it is also a key focus area in our Sustainability Strategy.

We align our approach to manage climate change risk to the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Our approach is to design and manage buildings that are resilient to climate-related physical risks, both those we have identified now and those that may appear in the future.

Climate risk and resilience is operationalised through our suite of corporate and operational policies and procedures and is monitored through regular reporting.

## Possible climate risk scenarios

We consider a range of scenarios in the assessment of climate risks relevant to Cbus Property, and our management response to these risks. Primary considerations include:

### - Transition risk scenarios:

We apply the International Energy Agency's (IEA) NZE2050, NGFS Current Policies, NGFS Immediate 1.5°C scenario with CDR, NGFS Delayed 2°C scenario with limited CDR and IPR FPS to inform the decarbonisation strategy, which has led to us increasing our net zero ambitions and incorporating more Scope 3 carbon sources.

### - Physical risk scenarios:

We have conducted physical risk assessments using RCP4.5 and RCP8.5 to determine the potential magnitude of acute and chronic impacts on our business.

For climate risk assessments, we consider the long-term implications on our business and the following time horizons:

- Current – <12 months
- Short-term – 1-2 years
- Medium-term – 3-10 years
- Long-term – 10+ years

Our physical risk assessments also consider longer time frames.

IEA - International Energy Agency

NGFS - Network of Central Banks and Supervisors for Greening the Financial System

CDR - Carbon Dioxide Removal

IPR FPS - Inevitable Policy Response Forecast Policy Scenario

RCP - Intergovernmental Panel on Climate Change Representative Concentration Pathway



443 Queen St, Brisbane  
Artist Impression

## Transition Risks

We define transition risks as those associated with the process of transitioning to a more sustainable, low-carbon economy. These risks primarily relate to the changes and challenges that we may face as we decarbonise our assets and supply chains and shift to a net zero carbon world.

Our accelerated decarbonisation strategy will help Cbus Property to reduce its exposure to fossil fuel-based energy sources and any associated transition risks.

With the net zero carbon target for the office portfolio achieved in 2022, mainly through renewable energy procurement, we are now working on zero carbon plans for each of our office buildings to further drive the decarbonisation of our portfolio. We are also working on a plan to have our shopping centre portfolio reach net zero carbon earlier than our original 2030 date.

We are tackling embodied carbon by introducing embodied carbon reduction targets for our development projects, which will help us to meet customer and investor expectations for low-carbon products and reduce the impact of potential regulation or carbon pricing.

This sends a clear signal of our low-carbon commitment to the broader industry, manufacturers and suppliers, as well as our customers, to drive innovation and demand.

## Physical Risks

Physical climate risks refer to the adverse impacts and hazards that result from climate-related changes in the physical environment, including extreme weather events, temperature extremes, and the prolonged, incremental changes to our climate.

Cbus Property is mitigating these physical risks by designing and developing buildings that are climate-resilient. Additionally, we aim to contribute to the resilience of the surrounding community and systems that our assets interact with and depend on.

The acute hazards identified include flash floods, hailstorms and tropical cyclones. Chronic stressors identified include drought, fire, heat, precipitation and rising mean temperatures.

Back in 2019, we undertook site-specific physical risk assessments to identify climate risks at each of our assets, and to understand the vulnerability of each to current and future climate risks.

The assessment incorporated the design and condition of each asset, and also the resilience measures already in place to determine a prioritised list of risks and actions.

As our assets are relatively new, the prioritised risks focused on long-term changes in climate when our building systems reach their end of life, and further strengthening some management practices.

We also assess climate risks during the design of our new development projects to ensure we are designing buildings to be resilient to future climate risks.

# INNOVATION

Innovation helps Cbus Property adapt and thrive during an era of rapid change and market disruption. By staying attuned to our customers' needs, we can unlock new opportunities to deliver greater value and drive more sustainable outcomes.

The way most people think about work life has changed. It is clear that people have developed a different relationship to the workplace since COVID-19, and this has influenced how organisations consider their office space. What is less clear is exactly how organisations should adapt to continue to provide meaningful value to their employees and their communities.

Cbus Property, in collaboration with a market-leading consortium, has been seeking to answer these questions. We launched the first ever LivingWork Lab at **720 Bourke Street** in Melbourne to understand how work life has changed for tenants, organisations and employees and what support a local community might need.

Through a series of interview sessions and workshops, the LivingWork Lab asked tenants and community members at and around **720 Bourke Street** to share what they value now and what they might want from a building that is more than a workplace.

This input was key to defining the vision for the future of **720 Bourke Street** and the process for collaborating with our tenant partners and the community meant that at every stage, their voices and views were not only heard, but meaningfully incorporated into the building's future strategy.

Further involvement will include a series of co-labs – workshops in which the LivingWork Lab will test ideas and thinking directly with the local community and tenants, helping to build a solution at **720 Bourke Street** that meets the needs of our tenant partners and the community alike.





## Smart Buildings

Cbus Property's commitment to technological innovation extends across our investment and development portfolios and ensures our assets are optimised for people and planet. With a strong focus on cyber security in FY23, we built upon our Smart Buildings strategy.

This year, we worked to establish a baseline across the portfolio. We have identified opportunities to upgrade our technology and make improvements, with a strong focus on enhancing the customer experience.

Among the highlights in FY23, we achieved a Platinum WiredScore at **83 Pirie Street** and are now working towards Platinum SmartScore certification. We are also targeting Platinum WiredScore and SmartScore precertification at **435 Bourke Street**. This complements the existing Platinum WiredScore and Gold SmartScore achieved at **720 Bourke Street**.

WiredScore is the global certification for technology in real estate. WiredScore's SmartScore certification defines and certifies smart buildings, helping building owners to benchmark, improve and communicate the user functionality and technological foundations of their assets. A SmartScore certification reflects the breadth and depth of the user experiences delivered by the building, as well as assessing the technology, processes and procedures that underpin these experiences.

Looking forward, we are focused on delivering leading and intuitive technology solutions that enhance how our tenant partners and their visitors experience and use our buildings. We are adopting certification tools such as WiredScore to assess, support and improve these functions, and we are deploying interfaces that ensure our assets can adapt with the rapid pace of change in technology and customer expectations.

## CASE STUDY

### Innovation sprint at the National Innovation Games

**How do we adapt our office towers to the future of work? How do we create value and flexibility in a time of rapid change?**

These were just two of the questions we posed to some of Australia's brightest minds and rising stars during the National Innovation Games.

In July 2022, we partnered with the Australian Government to co-host a National Innovation Challenge for the property and construction sector. The virtual two-day challenge was part of the National Innovation Games, a \$5 million program co-funded by the Australian Government and the Council of Small Business Organisations of Australia.

More than 250 people – from industry experts, seasoned professionals and tenants, to university students and graduates – came together to engage in problem-solving 'sprints'. Cbus Property gained actionable solutions covering everything from commercial fundamentals to employee amenity and technology to sustainable design.

The 25 Cbus Property employees who participated in the challenge gained valuable skills and forged stronger connections with peers and representatives of some of Australia's top organisations. The challenge also strengthened our networks with universities and a pool of 75-plus graduates. We showcased Cbus Property as a progressive and innovative 'employer of choice' and provided a powerful illustration of why innovation is an essential competency for every high-performing team.

The feedback from the games was resoundingly positive. As one contributor noted, "A cluster of participants from all walks of life coming together and collaborating online and finding the right solutions in such a short span of time. It was truly an enriching experience."

# GOVERNANCE AND TRANSPARENCY

We maintain robust governance systems and processes to respond to ESG risks and provide comprehensive ESG performance reporting to our stakeholders.

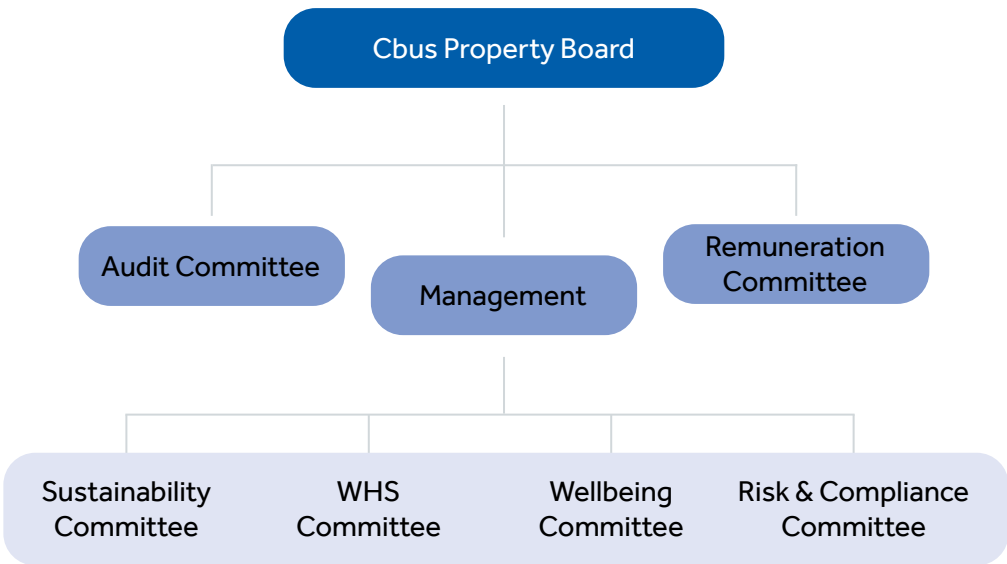
**Governance**

Cbus Property's governance processes lay the foundation for managing our material ESG risks.

We strive to maintain a dedicated focus on robust governance and risk – both operational and strategic – through the application of formal governance structures intended to support risk-based decision-making. The Board comprises three independent directors and four directors who are nominees of the fund.

The Cbus Property Board is responsible for the governance, risk management, financial and strategic performance of Cbus Property. In discharging these responsibilities, the Board may delegate appropriate matters to Board committees and management within defined and documented parameters.

Extensive interaction is maintained with the Cbus Super Investment Committee, with the Cbus Property Chair invited to attend committee meetings as an observer.



## Policies

Cbus Property has a comprehensive set of policies, procedures, guidelines and supporting documents that support its Governance, Risk and Compliance frameworks. In FY23, we updated a number of policies as part of our ongoing review process and created two new policies, our Information Security Policy and our Incident Management Policy.

Key policies aimed at managing ESG risks include:

- Conflicts of Interest Policy
- Diversity & Inclusion Policy
- ESG Policy
- Fraud & Corruption Control Policy
- Human Rights Policy
- Information Security Policy
- Whistleblower Policy
- WHS Policy

## Reporting

This report has been prepared with reference to the Global Reporting Initiative (GRI), to provide best-practice ESG disclosures and metrics.

We also participate in industry best-practice reporting frameworks, such as the Global Real Estate Sustainability Benchmark (GRESB), to benchmark against industry leaders.

Cbus Property's 2023 GRESB results saw us named Regional Sector Leader for Investments (Oceania, Diversified - Office/Retail).

We also achieved a strong score for our developments, placing second in our sector for Developments (Asia-Pacific, Diversified - Office/Residential). Our retail investments, owned through our shopping centre investment vehicle, Australian Core Retail Trust (owned together with UniSuper), placed second for Retail (Oceania, Retail). We are proud to play a role alongside our peers in elevating our region's sustainability credentials on a global stage.



	2023	2022	2021	2020	2019
<b>GRESB Standing Investments</b> (Australia   Diversified - Office/ Retail   Non-listed )	1st 5 stars (Sector Leader)	1st 5 stars (Sector Leader)	4th 5 stars	3rd 5 stars	2nd 5 stars
<b>GRESB Development</b> (Asia-Pacific   Diversified - Office/Residential	2nd	1st (Sector Leader)	3rd	1st	3rd

## Risk Management

Cbus Property's Risk Management Framework was developed to ensure the prudent management of risks consistent with the maintenance of a commercially sound business operation.

The Risk Management Framework also fosters a strong organisational risk culture reflecting an overarching responsibility to act in the best financial interest of Cbus Super members and beneficiaries.

The Board instils the appropriate risk and governance culture within the company; provides direction by setting the risk appetite within which management is expected to operate; and approves the Risk Appetite Statement and Risk Management Framework.

ESG incidents are monitored through incident and investigations registers and reported to executive management monthly.

## Sustainable Finance

Sustainable finance is an important layer of Cbus Property's sustainability strategy that will move us towards our goal of being a world leader in sustainable development.

Finance plays a significant role in the decarbonisation of the world. By using sustainable finance, we can demonstrate that we are developing and managing sustainable net zero carbon assets, which are driving positive impact on the environment and our communities.

Cbus Property's Sustainable Finance Framework outlines how sustainable finance instruments will be issued and managed across our development projects and investment portfolio. This industry-leading framework aligns with Cbus Property's strategic sustainability targets as well as the voluntary guidelines issued by the International Capital Market Association, Asia Pacific Loan Market Association, Loan Syndications and Trading Association, Loan Market Association and the Climate Bonds Initiative.

In FY23, Cbus Property successfully closed our third green loan in accordance with the "Green Buildings" eligibility criteria under our Sustainable Finance Framework. This transaction was a 15-year syndicated loan provided through the Japanese debt market, with the proceeds being used to refinance the existing domestic loan for our interest in **311 Spencer Street**, Melbourne.

**311 Spencer Street**, known as the Victoria Police Centre, is 100 per cent powered by renewable energy, and certified carbon neutral by Climate Active. It also has a 5 star NABERS Energy rating and 6 Star Green Star Design & As Built v1.1 and Performance v1.2 ratings.

Cbus Property's long-term goal is to pursue and promote sustainable finance instruments in order to assist in building a sustainable tomorrow and creating buildings of the future to deliver value to our customers, communities, and Cbus Super members.



# SUSTAINABILITY GOALS AND PROGRESS

We are proud to report on our progress in FY23 as we work towards the goals outlined in our 2025 Sustainability Strategy.

Cbus Property has a robust process in place for setting short-term objectives that lay the foundations for our overarching goals. This year we took long strides towards our 2025 goals through a range of programs.

This section provides a summary of progress as we continue to build on our sustainability program, embed sustainability into our business processes and invest in the capability of our people.

# BETTER BUILDINGS

	2025 GOAL	STATUS
Resource efficiency and responsibility	<ul style="list-style-type: none"> <li>- Reduce the environmental impact of our buildings by a further 10 per cent, including energy, water, waste and tenant energy (from FY19 baseline)</li> </ul>	Ⓛ
Responsible Supply Chain	<ul style="list-style-type: none"> <li>- Implement a sustainable procurement system (aligned with the ISO 20400:2017 Sustainable Procurement Guidance standard)</li> <li>- Operate with a supply chain that continues to mitigate modern slavery risks</li> <li>- Partner with building occupants to make our entire buildings more sustainable</li> </ul>	Ⓛ Ⓛ !
Climate Change	<ul style="list-style-type: none"> <li>- Achieve net zero (operational) carbon</li> <li>- Deliver net zero (embodied) carbon buildings for all new developments</li> <li>- Manage climate risks through a Task Force on Climate-Related Financial Disclosures (TCFD)-aligned climate change program</li> </ul>	Ⓛ Ⓛ Ⓛ
Sustainability Standards and Certifications	<ul style="list-style-type: none"> <li>- Operate the most sustainable commercial portfolio in Australia (through NABERS and Green Star Performance)</li> <li>- Be known as the world's most sustainable developer (through Green Star)</li> <li>- Deliver and manage the world's healthiest building (through WELL certification)</li> </ul>	Ⓛ Ⓛ !
Materials and Waste	<ul style="list-style-type: none"> <li>- Achieve a 75 per cent operational waste recycling rate across our portfolio</li> <li>- Achieve a 90 per cent recycling rate for all building, construction and refurbishment waste</li> <li>- All products and materials used in our buildings will meet our sustainable procurement criteria</li> </ul>	! Ⓛ Ⓛ

## FY23 PROGRESS TOWARDS GOAL



Completed



On track



Requires focus

- 
- Since FY19 baseline, our office portfolio has achieved a 12 per cent reduction in energy, 32 per cent reduction in water, 46 per cent reduction in waste and a 12 per cent reduction in tenant energy, on a like-for-like basis, effectively achieving our goal. As occupancy of our buildings continues to grow, we will monitor this closely to ensure we maintain this high level of performance. Refer to the 2023 Sustainability Data Pack for more detailed reporting.
- 
- In FY23, we implemented a sustainable procurement guide for our investment portfolio and developed a responsible procurement plan for our development projects moving forward. We will continue to integrate sustainable procurement principles into our procurement processes.
  - We continued to deliver on our actions against our Modern Slavery Roadmap. We have increased the coverage of Cleaning Accountability Framework certifications across our portfolio to 78 per cent and continued to collaborate with our builders to assess modern slavery risks in our development supply chains. More information about our modern slavery program can be found in our Modern Slavery Statement.
  - In FY23, we engaged with our tenant partners to focus on waste reduction and recycling. We have also been developing a more comprehensive tenant engagement program to be rolled out in FY24, which will focus on increasing NABERS tenancy ratings, take up of renewable electricity and further community engagement.
- 
- We achieved net zero operational carbon for all buildings in 2022, verified by Climate Active. We will continue to decarbonise through implementing our net zero carbon strategy across the office portfolio. Our shopping centre portfolio is now procuring 100 per cent renewable electricity, with the next step to achieve carbon neutral certification.
  - We are measuring embodied carbon throughout all new developments and targeting a minimum of 20 per cent reduction in embodied carbon at our recently commenced development projects. This is building up our knowledge and experience in delivering lower embodied carbon projects and using projects like **435 Bourke Street** to pilot initiatives with the intent to roll them out across more development projects in the future.
  - We undertook a TCFD gap analysis to understand where we can continue to strengthen the robustness of our climate change program, and to prepare us for the new changes in climate disclosures and reporting.
- 
- Cbus Property achieved the highest rated office portfolio rating, according to the 2023 NABERS Sustainable Portfolios Index, and was ranked second for shopping centres. We have a 6 Star Green Star Performance-rated office portfolio.
  - All new projects are targeting a Green Star rating. We are also a supporter of the Green Building Council of Australia's Future Homes program.
  - Since launching our WELL at Scale program for our office portfolio, we have achieved WELL Health Safety ratings across the portfolio and have recently submitted our first WELL at Scale portfolio submission. Our results are in the process of being finalised and will be reported on in FY24.
- 
- In FY23, we achieved a 57 per cent recycling rate for our office portfolio, which is an 8.0 per cent improvement on last year, moving us closer to our 75 per cent target. Our retail portfolio achieved a recycling rate of 43 per cent, marking a one per cent improvement on last year.
- 
- We are currently tracking at 96 per cent for FY23 for all new development projects, which is a standard target for contractors across all new development projects. We are now working on a portfolio-wide program to target fit-out and de-fit waste.
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- Our Sustainable Procurement Guide for office investments provides criteria for the key materials and products procured for the operation of our office buildings, which we continue to monitor.
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# INVESTING IN PEOPLE

	2025 GOAL	STATUS
Health and Wellbeing	- Invest in the health and happiness of our team with a world-class health and wellbeing program	
	- Deliver buildings and experiences that measurably enhance the health and wellbeing of our tenants and residents	
Diversity and inclusion	- Be a champion for gender equality in the construction and property industry, and foster a culture of diversity and inclusion	
	- Promote reconciliation with First Nations Peoples and communities by building respect and relationships, and offering opportunities that build equality	
Training	- Develop our people into a highly skilled team recognised as industry leaders, through a best practice training and career development program	
	- Build and utilise a team of passionate sustainability leaders through a comprehensive sustainability training and engagement program	
Community Engagement	- Create and maintain strong connections with our communities through positive community engagement	
	- Deliver positive and measurable social outcomes by investing in the needs of our communities	

# FUTURE READY

Governance & Transparency	- Fully integrate sustainability throughout our governance systems and processes	
	- Govern our organisation with a series of best-practice, publicly available policies	
	- Provide our stakeholders with best-practice, comprehensive and verified ESG disclosures	
Innovation	- Create a portfolio of Smart buildings that deliver exceptional user experiences and sustainable outcomes	
	- Foster a culture of innovation committed to keeping us at the forefront of building design, technology, experience and sustainability	
Resilience	- Design and manage buildings to be resilient to climate-related physical risks now and in the future	



## FY23 PROGRESS TOWARDS GOAL



Completed



On track



Requires focus

- 
- Cbus Property delivered 35 health and wellbeing activities during FY23, focused on supporting physical, social and emotional health. We also continued our popular wellbeing allowance program, with each employee allocated an allowance to engage in an activity that supports their physical and mental health.
  - Since launching our WELL at Scale program for our office portfolio, we have achieved WELL Health Safety ratings and have submitted our first WELL at Scale portfolio submission. We have also achieved an office portfolio NABERS IE rating of 5.5 stars, placing us fourth in Australia.
  - Building wellness programs have been implemented across our portfolio. At **447 Collins Street**, we hosted complimentary fitness and wellness activities twice a week, including yoga, boxing, Pilates and HIIT classes.
- 
- In FY23, we re-launched our Diversity and Inclusion Policy with additional targets and enhanced reporting metrics. Our Chief Executive Officer, Adrian Pozzo, formally joined the Property Champions of Change Coalition.
  - We have also implemented new women in construction targets and engaged with early career talent at several events, including presentations to Randwick Girls' High School and careers days.
  - We began work on a Reconciliation Action Plan (RAP), which we plan to launch in FY24. We also conducted a cultural awareness survey across the business to understand our current levels of cultural awareness and areas of learning opportunity.
- 
- We refreshed our induction process to bolster ESG training and engagement as we onboard new employees and continued our Senior Leadership Program, run by the Melbourne Business School, to build skills and capability that support inclusive leadership and underpin our culture and values.
  - We rolled out ESG training to managers, participated in industry learning events and supported paid study leave opportunities. We have also retained high scores for sustainability-related engagement, with 100 per cent of employees (respondents) saying that the business was committed to being environmentally responsible.
- 
- Cbus Property finalised and executed the first year of our Community Strategy and launched a volunteering guide. We also began implementing our Social Procurement Plan, and engaging in partnerships with some key social enterprises.
  - We have investigated community impact measurement tools and continue to capture the value of our community investment activities across the business.
- 
- Cbus Property reviewed our EMS framework to continue to enhance our environmental management system. We also undertook a systematic review of our ESG risks and integrated these into a risk management framework.
  - Our Sustainability Committee expanded to include broader representation of key function areas across the business.
  - We refreshed our ESG Policy to better articulate our most material ESG risks, and to outline our net zero carbon policy.
  - We once again received global recognition through our GRESB, achieving Regional Sector Leader for Investments and ranking second for our Developments.
  - We delivered the FY23 report in line with GRI best-practice standards and are reviewing our disclosure standards and preparing for the upcoming changes to best-practice non-financial disclosures.
- 
- We continued our support for the WiredScore/SmartScore certification standard, achieving a Platinum WiredScore at **83 Pirie Street**. We are working towards further certifications across the office portfolio and new development projects.
  - We also continued to expand our building data centralisation project and deployed our analytics platform at more buildings, integrating our retail portfolio into our sustainability data system.
  - We build innovation capability through a range of activities, notably our participation in the National Innovation Games.
  - We staged a design competition and created the LivingWork Lab at **720 Bourke Street**, an innovative way to understand the needs of our customers and the community.
- 
- We commenced work on a business-wide Climate Resilience Framework that aligns with TCFD best practice.
  - We also worked on creating consistency in how we assess climate risk for development projects, new acquisitions and our existing portfolio.
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Collins Arch, Melbourne



# INFORMATION ABOUT THIS REPORT

## Supporting Information

This 2023 Sustainability Report forms part of a collection of reporting disclosures, or reporting suite, that can be found online: <https://www.cbussuper.com.au/>

- Cbus Super Annual Integrated Report 2023
- Responsible Investment Supplement
- Stakeholder Engagement and Materiality
- Governance Supplement

## External Assurance

Selected metrics included in this report, and the attached 2023 Sustainability Data Pack, have undergone an independent external assurance process by KPMG based on the ASAE3000 standard, to demonstrate our commitment to providing robust ESG performance data.

## Climate Active Carbon Neutral

We are a proud member of Climate Active, Australia's highly regarded carbon neutral standard:

- Organisation – Cbus Property is a Climate Active Carbon Neutral certified organisation
- Office portfolio – Cbus Property's office portfolio is a Climate Active Carbon Neutral certified (Buildings) portfolio

## 2023 Sustainability Data Pack and Basis of Preparation

We have prepared this data pack to disclose more detailed sustainability and ESG performance data.

The data found in this report and within the associated 2023 Sustainability Data Pack has been prepared in accordance with Cbus Property's internal sustainability data and reporting methodology or 'basis of preparation'. For more information, please refer to the 2023 Sustainability Data Pack:

<https://cbusproperty.com.au/sustainability/>

## Global Reporting Initiative (GRI)

This report has been prepared with reference to the GRI Standards: Core option. As part of the Cbus Super Annual Integrated Report suite, we have integrated our GRI references into a single GRI Index, that covers both Cbus Super and Cbus Property, found here:

<https://www.cbussuper.com.au/about-us/annual-report>



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