

# 2022 Sustainability Report



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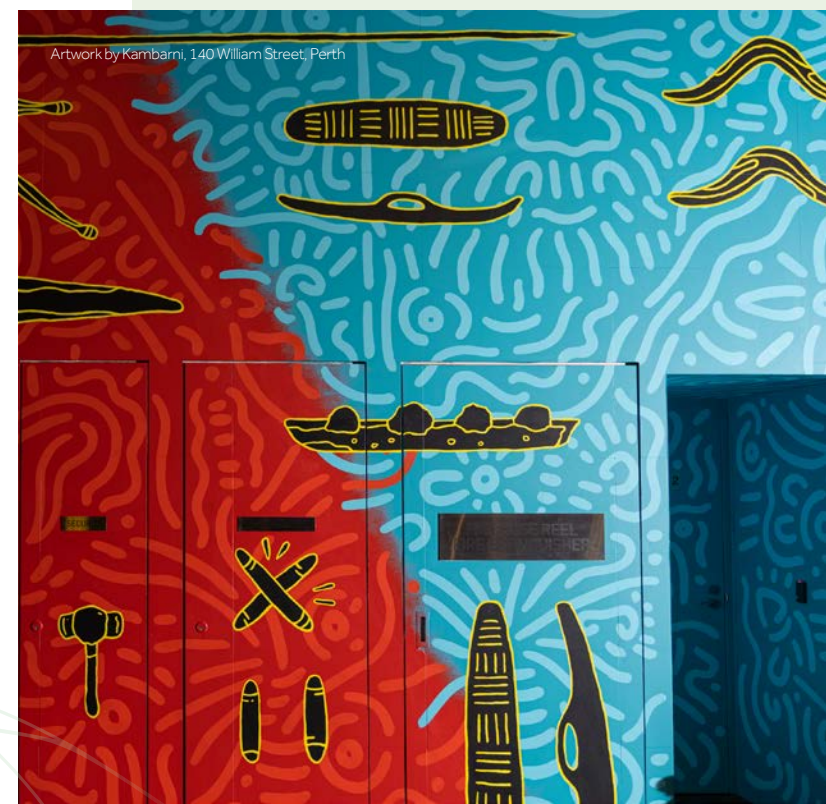
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Front cover: 1 William Street, Brisbane

## Acknowledgement of Country

Cbus Property acknowledges the Traditional Custodians of Country, of which our projects touch, where members and Elders of the local Indigenous community have been custodians for many centuries. We pay our respects to their Elders past, present and emerging, and acknowledge their living culture and the unique role they play in the life of these regions.

Artwork by Kambarni, 140 William Street, Perth



# A Message from our Chair

**Following an exciting year of sustainability achievements, it is with great pleasure that we share with you Cbus Property's 2022 Sustainability Report.**

As we continue to navigate through a period of uncertainty, it has become increasingly crucial that we create and facilitate a strong vision for the future. Simultaneously, the sustainability of our communities, workplaces, shopping centres and residences has only become more important.

Our vision for Cbus Property is to create world-leading sustainable places to work, live and shop. To deliver on this vision, we need to continually challenge ourselves to develop more sustainable buildings, invest more in our people and be future ready. By doing so, we are creating considerable value for all our stakeholders.

Since joining the Cbus Property Board, I am incredibly proud of what we have been able to achieve. The Board is ultimately responsible for Cbus Property's strategic performance but also has an important role to play in ensuring the strategy aligns to our purpose and values. We refreshed our Sustainability Strategy in 2021 and have since made significant inroads into achieving the new goals. We are delighted to share with you some positive achievements in this report – achievements

that not only demonstrate that we are delivering on our current strategic goals but also demonstrate our pioneering approach to investing in and developing sustainable communities and exceptional buildings.

These results highlight that Cbus Property is actively working towards realising our vision and purpose by building a legacy of creating exceptional communities to live, work and shop.



Cbus Property Chair - Georgina Lynch

**Cbus Property is actively working towards realising our vision and purpose by building a legacy of creating exceptional communities to live, work and shop.**

# A Message from our CEO

**FY2022 has been an outstanding year for Cbus Property – though once again, not a year without its challenges.**

Sustainability continues to be an integral part of how we develop and manage our investments. Cbus Property aspires to deliver the most sustainable buildings in both Australia and the world, with several industry achievements underpinning this ambitious goal throughout the past 12 months:

- › Fast-tracked our sustainability target to become Net Zero Carbon in operation by eight years, from 2030 to 2022;
- › Practical completion of one of Australia's first all-electric A Grade office towers at 83 Pirie Street in Adelaide;
- › Australia's highest overall NABERS score for a commercial office portfolio, making it the most environmentally sustainable portfolio in Australia;
- › 6 Stars for Green Star Performance from the Green Building Council of Australia, representing world leadership in sustainable operations;
- › International WELL Building Institute (IWBI) Health Safety ratings across our managed investments, delivering healthy and safe spaces for our customers;



Cbus Property Chief Executive Officer - Adrian Pozzo

- › Engaging with our investments' cleaning teams to ensure safe and fair workplaces, free from exploitation and poor labour conditions; and
- › Launched our Sustainable Finance Framework, a key pillar to working with financiers to access sustainable loans for our development projects.

To cap off a spectacular year, Cbus Property was recently named dual Global Sector Leader for Standing Investments (Diversified – Office/Retail) and Developments (Diversified – Office/Residential) in the Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment. Furthermore, our co-owned shopping centres have been recognised as Regional Sector Leader for Retail (Oceania Retail).

These results were the direct outcome of sustainability being a core value of the business since its inception, as well as some significant advances made in our sustainability program throughout the past few years. We remain vigilant in looking for opportunities that will continue to deliver strong returns for Cbus members and we look forward to seeing what the next 12 months bring.



# FY22 Highlights

**Cbus Property has had another monumental year and is very proud of what we have achieved in FY22.**

By setting clear objectives and targets and focusing on what is important to us, we are making significant strides toward our 2025 Sustainability Strategy goals.

We are beginning to see the results of our hard work throughout the past few years, culminated in some exciting highlights for the FY22 period.



Achieved Net Zero Carbon for our office portfolio, eight years ahead of schedule



Launched our Sustainable Finance Framework, delivered two Green Development Loans



Recognised once again as a leader in the 2022 NABERS Sustainable Portfolios Index



Achieved a 6 Star Green Star Performance rating for our office portfolio



Named Dual Global Sector Leader in GRESB for both Investments and Developments



Achieved WELL Portfolio Health Safety ratings across our managed office portfolio



Diversified our investment portfolio by investing in two premium shopping centres



Advanced our Smart Building strategy and achieved WiredScore Platinum at 720 Bourke Street, Melbourne



# About Cbus Property

**Cbus Property is a wholly owned subsidiary of Cbus, the industry superannuation fund for the construction, building and allied industries, which represents in excess of \$70 billion of funds under management and more than 850,000 members nationally.**

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

Cbus Property continues its investment into the building industry, delivering strong returns while creating employment for members, and in its 16th year of operation, has grown from a portfolio of \$0.5 billion in 2006 to \$6.0 billion in 2022, with a further \$5.0 billion pipeline of projects.

The Langston Epping





# Business Strategy

**Our industry is ever evolving. Cbus Property's continued ability to move, be nimble (or agile) and respond to the dynamic needs of the market, provides us with a point of difference.**

Cbus Property's reputation, recognised locally and internationally, has been established throughout the past sixteen years and has been built on the foundation of strong returns and sustainability principles.

Cbus Property's purpose is to build a legacy by "creating exceptional properties and places".

Cbus Property's approach continues to be underpinned by our expertise as a developer and manager of quality investments and by our understanding of 'what' our partners 'want'.

Reflecting this strength, we saw a 30 per cent increase in our employee headcount.

As with every year, Cbus Property continues to work tirelessly to respond to the ever-changing market needs and find a pipeline of new and industry-leading projects.

Understanding the needs of our customers has never been more crucial and is our focus for future success.



Research among existing and prospective tenants for office space highlighted that wellbeing and the retention and attraction of new staff are bigger concerns than cost – in addition to demonstrating a clear and genuine commitment to sustainable buildings.

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

Cbus Property also sees the residential market as an area of focus and integral to our ongoing success. There will be a significant undersupply of housing in the coming years. We believe we are in the best position to capitalise on the new opportunities that will come to market.

Our business strategy positions us to deliver growth in the next three years and seize opportunities that continue to deliver strong returns for Cbus members.

## Culture and engagement

Cbus Property celebrates an impressive engagement result of 87 per cent in FY22. This represents the efforts of our leaders and organisational changes, where we demonstrated value and people development opportunities. Cbus Property profiles in the top decile against the Australian Professional Services & Property & Construction benchmarks.

Our focus throughout the past year was to continue connecting employees to our long-term direction, vision and purpose; keep all employees informed in the ever-changing environment; maintain our investment in people leaders and genuine care for our employees; take the time to explore the needs of the younger female cohort; and lastly, continue to support our employees in health and wellbeing programs.

## Cbus Property Culture and 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 places and experiences, trusted and capable

# Financial Performance

**Cbus Property's portfolio of investments and developments continues to deliver consistent, strong returns.**

This year, despite the continued challenges of the pandemic, we delivered a 13.46 per cent return to our members, which was 1.86 per cent above the MSCI/IPD index of 11.6 per cent.

This strength has been consistent throughout our history, delivering an average of 15.6 per cent over the past 10 years, 12.5 per cent throughout the past five years, and 14.9 per cent since inception.

Since its inception in 2006, Cbus Property has consistently outperformed the market, delivering total returns (profits) to members of circa \$3.5 billion.

Furthermore, Cbus Property developments have created more than 100,000 direct jobs since 2006.



## 13.4%

Returns for the year (FY22)



## 14.9%

Returns since inception (average)



## \$6.0 billion

Gross property portfolio



## 67 (30% increase)

Employees

\*Across Australia since Cbus Property's inception in 2006.

Artist Impression  
435 Bourke Street, Melbourne





# Our Investments

**Our quality investment portfolio remains the foundation for consistently delivering above market returns, providing a strong revenue stream that supports the growth of our business.**

Our investment management approach, from acquisition to management, integrates sustainability as a key from day one. Our approach involves assessing key sustainability risks and opportunities, such as environmental performance, community, and climate risks during the acquisition process for our sites.

In FY22, Cbus Property made a significant investment into two major Australian shopping centres, diversifying our existing office investment portfolio and boosting our total portfolio to exceed \$4.8 billion.

Our 2025 Sustainability Strategy establishes key goals and targets to continue to drive sustainability performance while delivering a world-leading sustainable commercial office and retail investment portfolio.

## Targets



**Net Zero Carbon by 2030**  
(office portfolio achieved in 2022)



**100% renewable electricity for base building**  
(office portfolio complete)



**Green Star Performance**  
6 Stars (office portfolio complete)



**NABERS Energy**  
6 stars



**NABERS Water**  
5 stars



**NABERS Indoor Environment**  
6 stars\*



**NABERS Waste**  
6 stars\*



**75% Recycling Rate**



**Cleaning Accountability Framework certified**

\* Office only, rating not available for shopping centres

Artist Impression  
111-121 Castlereagh Street, Sydney

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# Office Portfolio

**At Cbus Property, it is our mission to create the world's most sustainable portfolio. By doing this we have also created one of the highest-ranking commercially successful portfolios.**

Our eight commercial office buildings total a value of \$3.6 billion, supported by a strong level of government tenancies, with leases ranging from 10 to 30 years, providing consistent and stable income streams. By 2024, with the completion of 205 North Quay and 83 Pirie Street, 60 per cent of our commercial revenue streams for members will come from government tenants.

We pride ourselves on delivering exceptional customer service driven by our highly experienced, dedicated property management teams. That has led us again to be ranked first in an independent tenant satisfaction survey.

- **\$3.6 billion value**
- **10.1 years WALE**  
(Weighted Average Lease Expiry)
- **97% occupancy**
- **1st (90%) in Tenant Satisfaction Rating**
- **80% of tenants are government tenants, ASX200 or major legal firms**

Building certification are as at June 2022



## 1 William Street, Brisbane

- Carbon-neutral certified
- 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 star
- WELL Health Safety



## 311 Spencer Street, Melbourne

- CAF – 3 star certified
- Climate Active Carbon-neutral certified
- Green Star Design & As Built – 6 Star
- Green Star Performance – 6 Star
- NABERS Energy – 4.5 star
- NABERS Indoor Environment – 5 star
- NABERS Waste – 3.5 star
- NABERS Water – 5.5 star
- WELL Health Safety



## 171 Collins Street, Melbourne

- Carbon-neutral certified
- Green Star Design & As Built – 6 Star
- Green Star Performance – 6 Star
- NABERS Energy – 6 star
- NABERS Indoor Environment – 6 star
- NABERS Waste – 6 star
- NABERS Water – 5.5 star



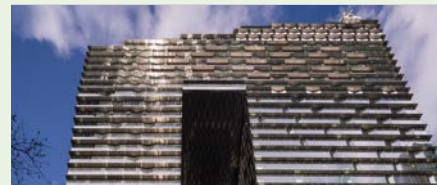
## 140 William Street, Perth

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



## 313 Spencer Street, Melbourne

- CAF – 3 star certified
- Carbon-neutral certified
- 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 star
- NABERS Water – 5 star
- WELL Health Safety



## 447 Collins Street, Melbourne

- CAF – 3 star certified
- Carbon-neutral certified
- Green Star Design & As Built – 6 Star
- NABERS Energy – 5.5 star
- NABERS Indoor Environment – 5.5 star
- NABERS Waste – 3 star
- WELL Health Safety
- Green Star Performance – 6 Star
- WELL V1 Platinum (precertified)



## 720 Bourke Street, Melbourne

- CAF – 3 Star certified
- Carbon-neutral certified
- 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 Certified Platinum



## 5 Martin Place, Sydney

- Carbon-neutral certified
- 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 – 5 star
- NABERS Waste – 3 star

# Retail Portfolio

**In FY22, Cbus Property invested into a shopping centre fund, taking a significant interest into two leading super regional shopping centres, both within Australia's Top-20 centres.**

During the period we also took handover of the retail component of The Langston Epping, our mixed-use residential development in Sydney's north west. Anchored by an IGA supermarket, The Langston Retail provides gym, pharmacy, café and restaurant amenity to the 462 residences and the broader local community. Cbus Property aims to deliver exceptional customer experiences while creating healthy and sustainable communities.

- **\$1.2 billion value**
- **24.6 million customer visits**
- **\$1.7 billion annual turnover**
- **4.8 years WALE**  
(Weighted Average Lease Expiry)



**Macquarie Shopping Centre, North Ryde**  
(acquired October 2021)

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



**Pacific Fair Shopping Centre, Broadbeach**  
(acquired October 2021)

- Green Star Performance – 3 Star
- NABERS Energy – 5 star
- NABERS Water – 4.5 star



**The Langston Retail, Epping**  
(operational from July 2022)

- Precinct activation placemaking strategy
- Community investment program



**Newmarket Dining, Randwick**

- Onsite solar PV
- Community investment program
- Organics recycling



# Our Developments

**Exceptional sustainable design is a fundamental principle of all our new development projects, whether office, retail or residential.**

Cbus Property has a current pipeline of work exceeding \$5.0 billion, and each project has sustainability principles integrated into its design and delivery.

We have established new sustainable design targets that set the future vision for our development projects and keep pace with a quickly moving market, embedding standards and processes to ensure meeting our minimum sustainability requirements.

Despite a turbulent few years, we are pleased that our developments have progressed well and our development pipeline continues to grow. However, it was not a year without its challenges. The building industry is facing some difficult times, with a shortage of skilled workers, construction cost escalation and supply chain issues.

Artist Impression  
Newmarket Randwick Stage 2

## Design Targets

**Our aspirational sustainable design targets:**



**6 Star Green Star Design & As Built certification**



**Designed to achieve Net Zero Carbon in operation**



**90 per cent re-use or recycling of materials from construction and demolition**



**100 per cent of projects to have Climate Risk Assessments**



**Platinum WELL certification (offices)**



**5.5 star minimum NABERS Energy design (offices)**



**8.0 star average NatHERS rating (residential)**



# Commercial Office Developments

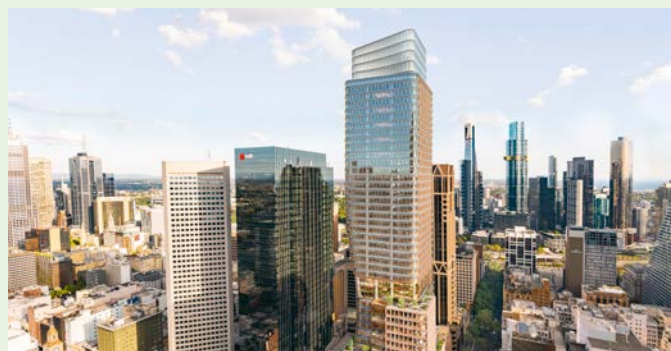
**Our current office development pipeline comprises approximately 150,000 square metres of net lettable area (NLA) across Sydney, Adelaide and Melbourne. With a completion value nearing \$2.0 billion, it includes:**

- 205 North Quay is a \$600 million commercial office development currently under construction in Brisbane's North Quarter precinct. It will feature a whole-floor wellness facility, 25-metre lap pool, and outdoor terraces on every level plus rooftop facilities, delivering a holistic approach to the future healthy workplace.
- Completed in August 2022, 83 Pirie Street is a next-generation, all-electric office tower in Adelaide. It is a 20-level A-grade office tower with approximately 30,000 square metres of commercial office space with 1,750 square metres of large flexible floor plates.
- Most recently, in early August 2022, planning approval for 435 Bourke Street in Melbourne was received from the Victorian State Government's Department of Environment, Land, Water and Planning (DELWP). Please refer to the feature on 435 Bourke on [page 24](#) for further information.



**83 Pirie Street, Adelaide**

- Green Star Design & As Built - 6 Star (designed)
- Platinum WELL Certified (precertified)
- NABERS Energy - 5.5 star (designed)
- Net Zero Carbon in operation - all-electric
- 20% reduction in upfront carbon (428 kg CO<sub>2</sub>-e per GFA)
- One of Australia's first all-electric A-Grade office buildings



**435 Bourke Street, Melbourne**

- Green Star Buildings - 6 Star (registered)
- Platinum WELL Certified (registered)
- NABERS Energy - 5.5 star (registered)
- Net Zero Carbon in operation (design) - all-electric



**205 North Quay, Brisbane**

- Green Star Design & As Built - 6 Star (registered)
- Platinum WELL Certified (registered)
- NABERS Energy - 5.5 star (registered)
- Net Zero Carbon in operation (design) - all-electric



**121 Castlereagh, Sydney**

- Green Star Design & As Built - 6 Star (registered)
- NABERS Energy - 5.5 star (registered)
- Platinum WELL Certified (registered)
- Net Zero Carbon in operation (design) - all-electric



# Residential Developments

**Cbus Property has been progressing our residential project pipeline. Most recently, we completed The Langston Epping in Sydney's northwest, with the majority of residences settled in April and May 2022.**

We have also commenced construction on the second stage of our Newmarket Randwick master plan. While our 111 & 121 Castlereagh mixed-use development at the iconic Sydney location of David Jones drew strong media and buyer interest, confirming that the high end of the residential market is showing strength, despite the current economic conditions and interest rate increases.

In Victoria, all residences are now sold at 17 Spring St, with construction anticipated for completion by the end of the year. We also celebrated the commencement of construction for our boutique South Yarra development, Como Terraces.



## 17 Spring St, Melbourne

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



## 443 Queen St, Brisbane

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



## East Walker Street, North Sydney

- Green Star Design & As Built – 6 Star (registered)
- NatHERS 7.5 stars average
- Targeting all electric building
- Onsite solar PV 40kw



## 111 Castlereagh, Sydney

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



## Como Terraces, South Yarra

- NatHERS 6.5 stars average
- Rainwater capture and reuse
- Electric vehicle charging
- 50% landscaped site coverage



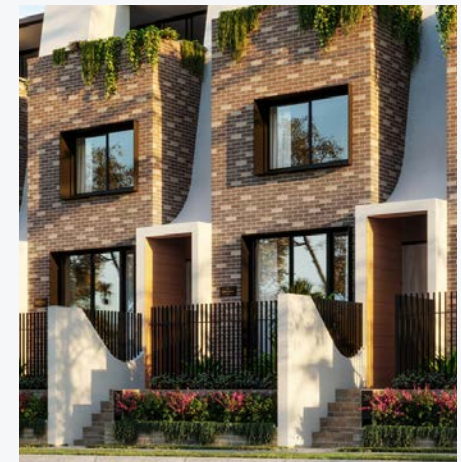
## The Langston Epping (completed April 2022)

- NatHERS 5.1 stars
- Rainwater reuse for irrigation
- Over 600 bicycle parks



## Newmarket Randwick Stage 3 N2

- Green Star Design & As Built – 6 Star (registered)
- NatHERS 7.5 stars average (design)
- Targeting Net Zero Carbon ready – all-electric
- Onsite solar PV 130kw
- Electric vehicle charging
- Induction cooking



## Newmarket Randwick Stage 2

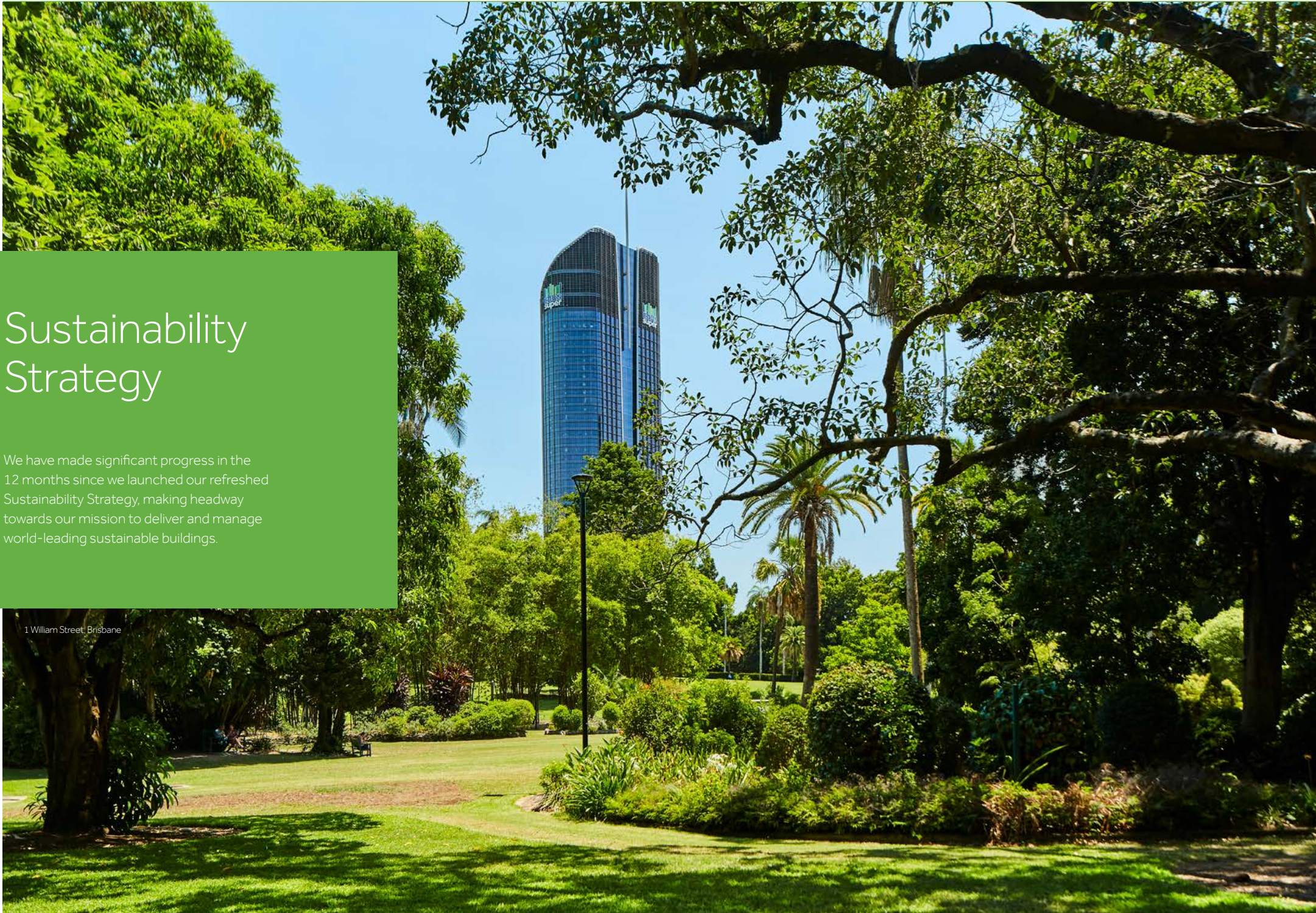
- Green Star Design & As Built (registered)
- NatHERS 5.5 stars average (design)
- Electric vehicle charging
- Onsite solar PV 40kw



# Sustainability Strategy

We have made significant progress in the 12 months since we launched our refreshed Sustainability Strategy, making headway towards our mission to deliver and manage world-leading sustainable buildings.

1 William Street, Brisbane





# Our Strategy

**Our Sustainability Strategy is focused on three key pillars:**

## Better Buildings

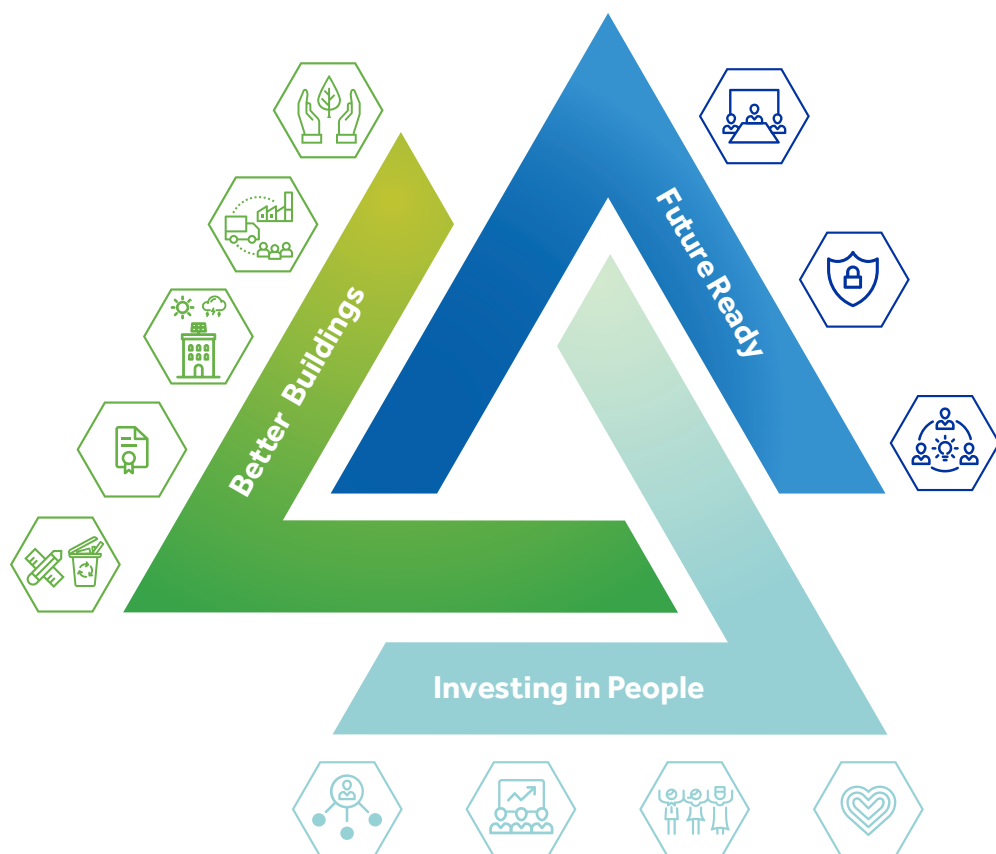
Creating and managing world-leading sustainable buildings. Delivering positive outcomes for the environment, our communities, our suppliers, our customers, and our tenants.

## Investing in People

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

## Future Ready

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



# Risk Management and Materiality

Our 2025 Sustainability Strategy focuses on our most material Environmental, Social & Governance (ESG) risks and opportunities to generate positive outcomes for the environment, our communities and our members.



## Environmental

- › Environmental Impact
- › Climate Change



## Social

- › Community Engagement
- › Diversity & Inclusion
- › Employee Value & Workplace
- › Human Rights
- › Work Health & Safety (WHS)



## Governance

- › Business Continuity
- › Compliance
- › Conflicts of Interest
- › Culture & Conduct
- › Cyber Security & IT Systems Security
- › Fraud & Corruption
- › Supply Chain Management



# 2025 Goals & Progress

**We are proud of the progress we have made in FY22, which was another significant year for Cbus Property.**

Cbus Property sets short-term annual targets and objectives to build a pathway to achieving our 2025 sustainability goals, and demonstrate progress against meeting these goals.

We are building on the foundational programs we set in place in FY21 and are already starting to see the results some 12 months later.

In FY22, we are also ramping up our 'Investing in People' focus area, have commenced the development of our Community Strategy, and are evolving our Reconciliation Action Plan, and Health and Wellbeing program.

The following table demonstrates the progress we are making towards our 2025 sustainability goals.



Artist Impression  
435 Bourke Street, Melbourne

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## Better Buildings

Focus area	2025 Goal	Status	FY22 progress towards goal
 <b>Resource Efficiency</b>	Reduce the environmental impact of our buildings by a further 10 per cent, including energy, water, waste and tenant energy (from FY19 baseline)		<ul style="list-style-type: none"> <li>Since FY19, our office portfolio has reduced energy use by 9.0 per cent, water by 36 per cent, and waste by 57 per cent, on a like-for-life basis. Occupancy has had an impact on environmental performance; it is something we are monitoring closely as occupants start coming back to our office and retail buildings.</li> </ul>
	Implement a sustainable procurement system (aligned with ISO 20400:2017 Sustainable Procurement Guidance standard)		<ul style="list-style-type: none"> <li>Procurement Framework and Procurement Guides for Development and Investments</li> <li>Integrated ESG into development procurement procedure</li> </ul>
 <b>Responsible Supply Chain</b>	Operate with a supply chain that continues to mitigate modern slavery risks		<ul style="list-style-type: none"> <li>We began work on a Modern Slavery Remediation framework</li> <li>We also started building a plan for mitigating Modern Slavery risks in our development projects</li> <li>Certified four buildings with the Cleaning Accountability Framework, on way to certify all buildings by 2023</li> </ul>
	Partner with building occupants to make our entire buildings more sustainable		<ul style="list-style-type: none"> <li>Initiated conversations with tenants to increase the uptake of renewable electricity and the NABERS Energy tenancy ratings</li> </ul>
	Achieve Net Zero (operational) Carbon		<ul style="list-style-type: none"> <li>Achieved Net Zero Carbon for our office portfolio, verified by Climate Active</li> <li>Zero carbon (electrification) plans in place for entire portfolio</li> <li>All new developments have design standards to achieve Net Zero (all electric)</li> <li>Retail portfolio have commenced creating a Net Zero Carbon strategy</li> </ul>
 <b>Climate Change</b>	Deliver Net Zero (embodied) Carbon buildings for all new developments		<ul style="list-style-type: none"> <li>All new development projects must measure the embodied carbon associated with the project</li> <li>Furthermore, all new office developments, and some residential projects, are targeting a 20 per cent reduction (or higher) target for embodied carbon</li> </ul>
	Manage climate risks through a Task Force on Climate-Related Financial Disclosures (TCFD)-aligned climate change program		<ul style="list-style-type: none"> <li>Conducted a TCFD gap analysis to understand areas for improving our climate risk disclosures</li> </ul>
	Operate the most sustainable commercial portfolio in Australia (through NABERS and Green Star Performance)		<ul style="list-style-type: none"> <li>Achieved a 6 Star Green Star Performance portfolio rating</li> <li>Each office building has commenced the development of a NABERS Energy 6 star roadmap</li> <li>Performed well again in NABERS portfolio ratings, made significant improvements to water, wastes and IE</li> </ul>
 <b>Sustainability Standards &amp; Certifications</b>	Be known as the world's most sustainable developer (through Green Star)		<ul style="list-style-type: none"> <li>Have registered all new development projects for a Green Star rating</li> <li>Received a 6 Star Green Star Design Review for 83 Pirie Street</li> </ul>
	Deliver and manage the world's healthiest building (through WELL certification)		<ul style="list-style-type: none"> <li>Certified WELL Health and Safety ratings across the managed portfolio, and achieved a WELL at Scale portfolio Score</li> </ul>
	Achieve a 75 per cent operational waste recycling rate across our portfolio		<ul style="list-style-type: none"> <li>Achieved a recycling rate of 48 per cent for our office portfolio, and 42 per cent for our retail portfolio</li> <li>Although we have seen a positive trend in recycling, our waste and recycling program is a significant focus for FY23</li> </ul>
 <b>Materials &amp; Waste</b>	Achieve a 90 per cent recycling rate for all building, construction and refurbishment waste		<ul style="list-style-type: none"> <li>Have maintained a recycling rate of over 90 per cent for all construction waste from our development projects</li> </ul>
	All products and materials used in our buildings will meet our sustainable procurement criteria		<ul style="list-style-type: none"> <li>Have implemented a sustainable products and materials criteria and reporting framework for our office portfolio</li> </ul>

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## Investing in People

Focus area	2025 Goal	Status	FY22 progress towards goal
 <b>Community Engagement</b>	Create and maintain strong connections with our communities through positive community engagement		<ul style="list-style-type: none"> <li>Developing a Community Engagement Framework to provide a consistent approach to community engagement</li> </ul>
	Deliver positive and measurable social outcomes by investing in the needs of our communities		<ul style="list-style-type: none"> <li>Kicked off our Community Strategy in FY22, which will be developed further and implemented in FY23</li> <li>Capturing community investment data from our portfolio of assets</li> </ul>
 <b>Training</b>	Develop our people into a highly skilled team, recognised as industry leaders, through a best practice training and career development program		<ul style="list-style-type: none"> <li>Implemented a new training program for sustainability (ESG) across Cbus Property through our online training module, specific to Cbus Property's Sustainability Strategy</li> </ul>
	Build and utilise a team of passionate sustainability leaders through a comprehensive sustainability training and engagement program		<ul style="list-style-type: none"> <li>Our most recent sustainability engagement results show that 100 per cent of our employees agree that Cbus Property is committed to environmental sustainability</li> </ul>
 <b>Diversity &amp; Inclusion</b>	Be a champion for gender equality in the construction and property industry and foster a culture of diversity and inclusion		<ul style="list-style-type: none"> <li>In FY22 we formed a working group to establish aspirational women in construction workforce targets, and a Cbus Property program to support getting more women in construction</li> </ul>
	Promote the reconciliation with First Nations peoples and communities by building respect and relationships, and offering opportunities that build equality		<ul style="list-style-type: none"> <li>Delivered a range of initiatives to demonstrate our commitment to reconciliation through acknowledgements of significant cultural dates, smoking ceremonies at our project launches and including Indigenous Participation pathways for all development projects</li> </ul>
 <b>Health &amp; Wellbeing</b>	Invest in the health and happiness of our team with a world-class health and wellbeing program		<ul style="list-style-type: none"> <li>Continued implementation of our national health and wellbeing program</li> </ul>
	Deliver buildings and experiences that measurably enhance the health and wellbeing of our tenants and residents		<ul style="list-style-type: none"> <li>Certified WELL Health and Safety ratings across managed portfolio, and achieved our first WELL at Scale portfolio score</li> </ul>

## Future Ready

 <b>Governance &amp; Transparency</b>	Fully integrate sustainability throughout our governance systems and processes		<ul style="list-style-type: none"> <li>All development projects have ISO14001 EMS</li> <li>Undertook a gap analysis of our current EMS system against the ISO14001 standard and have devised an action plan to close gaps</li> </ul>
	Govern our organisation with a series of best practice, publicly available policies		<ul style="list-style-type: none"> <li>In December 2021, Cbus Property created a Board-endorsed Human Rights Policy that outlines our commitment to upholding Human Rights throughout our business and supply chain</li> <li>Our Whistle-blower policy was also reviewed so as to be adopted by and be used as a Modern Slavery grievance mechanism</li> </ul>
	Provide our stakeholders with best practice, comprehensive and verified ESG disclosures		<ul style="list-style-type: none"> <li>Continued reporting to GRESB and achieved dual Global Sector Leader status</li> <li>This FY22 report has been delivered in reference to GRI best practice disclosures</li> </ul>
 <b>Innovation</b>	Create a portfolio of Smart Buildings that deliver exceptional user experiences and sustainable outcomes		<ul style="list-style-type: none"> <li>Developed a Smart Buildings brief based on a project at 720 Bourke Street</li> <li>Achieved Platinum WiredScore certification at 720 Bourke Street, and targeting a Platinum WiredScore/ SmartScore rating for 83 Pirie Street</li> <li>Commenced a project to centralise our Building Management Systems (BMS) data into a single platform, to provide greater analytics and insights into our buildings' operations, and portfolio views</li> </ul>
	Foster a culture of innovation committed to keeping us at the forefront of building design, technology, experience and sustainability		<ul style="list-style-type: none"> <li>Established an internal innovation function to drive innovation throughout the organisation</li> </ul>
 <b>Resilience</b>	Design and manage buildings to be resilient to climate-related physical risks, now and in the future		<ul style="list-style-type: none"> <li>Commenced applying a consistent approach to Climate Risk assessments in our development projects</li> <li>Enhanced our Climate Adaptation plans for the office portfolio</li> <li>Retail assets have developed a climate model to better understand the potential financial risks of climate impacts across the retail portfolio</li> </ul>



# Better Buildings

**Cbus Property strives to create a legacy that sets a benchmark for sustainable buildings and creates the world's most sustainable commercial investment portfolio.**

Our strategic pillar "Better Buildings" aspires to create and manage world-leading sustainable buildings that deliver positive outcomes for the environment, communities, partners, suppliers, customers and our tenants.

We ensure 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 be more sustainable.



Collins Arch, Melbourne





# Resource Efficiency & Responsibility

**At Cbus Property, we are taking responsibility to deliver and operate efficient buildings that minimise environmental impacts.**

We are focused on reducing environmental impacts, such as energy, water and waste, and seeking to continually improve operational efficiency, which in turn reduces operating costs. Cbus Property has an environmental data system that monitors environmental performance so we can measure our improvements over time. Our 2025 goal is to improve the energy, water and waste performance at our investments by 10 per cent by 2025, starting from a FY19 (pre-COVID-19) baseline.

For more detail on our environmental performance, please refer to [page 28](#).

## Energy

Energy efficiency continues to be a significant focus for Cbus Property. Reducing energy consumption not only reduces a building's environmental impact, but can also significantly reduce operating costs.

We are always exploring new opportunities and technologies to improve energy efficiency, through capital upgrades by using data and analytics to optimise our buildings.

In FY22, our office portfolio has reduced its energy intensity by 9.0 per cent when compared to FY19. This is a result of the continuing lower occupancy of our buildings, as office tenants return to our buildings in the wake of the pandemic.

## Water

Conserving potable water is another key focus for our buildings.

We measure water consumption for both the base building and for tenants. This helps us to understand the best places to make efficiency improvements. We are trialling new technology, such as smart bathrooms, to further improve water efficiency.

In FY22, our office portfolio reduced potable water intensity by 36 per cent since FY19. We utilise rainwater and greywater to reduce the need for potable water for purposes that do not need high-quality drinking water. Harvested/recycled sources contribute up to 5.0 per cent of our office portfolio's water.

# 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 another key area of focus for our Sustainability Strategy. Our Climate Change strategy aims to limit Cbus Property's exposure to climate-related transition and physical risks. We are decarbonising our investments, developments and supply chains to pave the way towards a Net Zero Carbon future, which is positive for both business and the climate. Cbus Property is investing in renewable energy, electrification of our buildings, designing our new buildings to Net Zero Carbon standards, and working with our construction and supply chain partners to reduce carbon associated with our building materials and construction sites.

## Operational carbon

We are proud to share that in early 2022, every building in Cbus Property's office investment portfolio has been certified Net Zero Carbon, eight years ahead of our commitment under the World Green Building Council's Advancing Net Zero initiative.

Throughout the past few years, we made significant inroads into our Net Zero Carbon strategy and decided to bring forward our target date to early 2022. For further information on how this was achieved, please refer to the case study on [page 23](#).

This is just the beginning of our journey. We will continue to decarbonise our investment portfolio, and our attention has now turned to achieving Net Zero Carbon for our new retail portfolio, and further decarbonising our buildings.





# Climate Change

(continued)

## Embodied carbon

As a developer, the next big challenge to overcome is reducing embodied carbon for our new developments.

Embodied carbon, in simple terms, is the carbon embedded in the materials, products and energy used in the construction of a building. This can be as much as 16 per cent of the total carbon generated throughout the lifetime of a building and this proportion is set to grow as the operations of buildings are further decarbonised.

We are working with our construction partners to reduce the embodied carbon intensity of new buildings by investing in new building technology, low carbon materials, such as timber and other natural products, and improving our construction practices and logistics.

The total embodied carbon in our new office project at 83 Pirie Street, Adelaide, was reduced by 20 per cent through limiting carbon from the construction process, building materials, and using low climate impact refrigerants. Furthermore, our newly designed office project 435 Bourke Street, Melbourne, is targeting a 30 per cent reduction in embodied carbon, building on our targets from project to project.

Our goal is to reduce embodied carbon in new projects by **up to 40 per cent**, and commit to achieve **Net Zero Embodied Carbon** on all future projects from 2025.

ACHIEVING NET ZERO CARBON,  
EIGHT YEARS AHEAD OF SCHEDULE

## Case study

**In 2018, Cbus Property signed up to the World Green Building Council's Advancing Net Zero Carbon initiative, committing to achieve Net Zero Carbon by 2030.**

In 2020, we created a Net Zero Carbon roadmap, which demonstrated that we had already made significant progress against achieving this target and were ready to reach it earlier than anticipated.

In early 2022, Cbus Property achieved Net Zero Carbon across its office investment portfolio, eight years ahead of schedule.

Our approach to Net Zero Carbon is to operate highly energy-efficient buildings that are powered by renewable electricity, and cancel out any residual carbon through high-quality, land-based carbon offsets.

We believe that our approach provides a genuine and cost-effective decarbonisation pathway that also supports Australia's economy to transition to a low-carbon economy.

With an average NABERS Energy rating of 5.5 stars across our portfolio, Cbus Property has established various agreements and contracts to power our base buildings with 100 per cent renewable electricity.

We have used the NABERS Climate Active Carbon Neutral building certification pathway to verify our Net Zero Carbon achievement, one of only a handful of portfolios in Australia to achieve the same status.

There is more to be done. In the attempt to minimise our reliance on buying carbon offsets to achieve Net Zero. We are implementing Zero Carbon plans that work on the electrification of any natural gas systems, trialling new refrigerant and diesel products that have lower climate impacts, and reducing waste sent to landfill.

We are also working on plans to achieve Net Zero Carbon for our retail portfolio, which will take our entire investment platform to Net Zero Carbon.



# Sustainability Standards & Certifications

**Cbus Property supports building certification schemes to benchmark ourselves against international best practice and to demonstrate credibility in our sustainability performance.**

To measure our progress towards our goal of being the most sustainable developer and investment manager in the world, we use industry certifications to benchmark ourselves against the best global performers in this space.

Ratings also help us to communicate our strong commitment to sustainability to our key stakeholders and align our approach with the expectations of our clients, helping drive the strong retention of tenants at our buildings.

## NABERS

NABERS (National Australian Built Environment Rating System) is very well known and highly regarded across the industry, and one of the best environmental performance benchmarking tool in the country.

In 2022, Cbus Property was again recognised as a leader in the 2022 NABERS Sustainable Portfolios Index. Cbus Property's office portfolio has excelled in all NABERS rating types and ranked first for Waste, second for Energy, second for Indoor Environment (IE) and seventh for Water. Overall, Cbus Property's office portfolio achieved 19.5 NABERS stars out of the possible 24 stars, collectively awarding us Australia's highest environmental performing sustainable office portfolio.

In 2022, Cbus Property has been developing 6 star NABERS Energy roadmaps for each office building, outlining individual pathways to enhance energy performance while simultaneously planning for the electrification of our buildings, to prepare us for the upcoming changes to the NABERS protocol in 2025. These changes will consider the changes happening to the electricity grid and the relative carbon intensity of electricity compared to natural gas.

We also achieved exceptional performance for our retail portfolio, ranking equal first for Energy and fourth for Water.

2022 2021 2020

### Office Portfolio

<b>NABERS Energy</b>	<b>2nd</b> 5.5 stars 100%	<b>1st</b> 5.5 stars 100%	<b>1st</b> 5.5 stars 100%
<b>NABERS IE</b>	<b>2nd</b> 5.4 stars 100%	<b>5th</b> 4.1 stars 100%	<b>7th</b> 5.4 stars 49%
<b>NABERS Waste</b>	<b>1st</b> 3.8 stars 100%	<b>1st</b> 3.5 stars 66%	<b>2nd</b> 3.9 stars 34%
<b>NABERS Water</b>	<b>7th</b> 4.8 stars 100%	<b>5th</b> 4.1 stars 100%	<b>4th</b> 3.9 stars 100%

### Retail Portfolio

<b>NABERS Energy</b>	<b>1st</b> 5.0 stars 100%		
<b>NABERS Water</b>	<b>4th</b> 3.9 stars 100%		

## Green Star Performance

Green Star Performance by the Green Building Council of Australia (GBCA) is an invaluable rating tool used alongside NABERS to look at sustainable operations more broadly. In FY22, Cbus Property undertook a recertification process of its Green Star Performance rating across its office portfolio. We are proud to share that we received a 6 Star portfolio rating, representing 'World-leadership' under the Green Star Performance rating system.

Our buildings excelled across all categories: management, indoor environment, energy and carbon, water, waste and materials, transport, emissions and innovation.

A 6 Star rating demonstrates our broad approach to sustainable buildings and is one of only a few portfolios to achieve 6 Stars across an office portfolio.





# Sustainability Standards & Certifications

(continued)

## Green Star Buildings

In our quest to be recognised as the world's most sustainable developer, Cbus Property utilises the internationally recognised Green Star ratings (formerly named Design & As Built) to inform and independently verify our sustainable design standards.

Cbus Property has used Green Star ratings across our commercial portfolio for several years, delivering 16 Green Star-certified projects, covering more than half a million square metres of Commercial office space.

We have since started using Green Star to assess our residential projects, using 443 Queen St, Brisbane as a pilot. Based on what we have learned from 443 Queen St, all of our residential projects will target a minimum 5 Star Green Star certification moving forward.

Cbus Property has also continued its support as partner of the GBCA Future Homes program. We recognise the value of having strong sustainability standards for homes and apartments, helping deliver healthier, more comfortable, more resilient and more sustainable homes for people to live.

## WELL Certification

Cbus Property strives to provide healthy working and living spaces that enhance the health and wellbeing of our tenants, people and communities and create safe and healthy indoor environments for people to work and live.

In 2021, we signed up to the International WELL Building Institute's (IWBI) WELL Portfolio program, with the aim of achieving a Platinum certification across our entire office portfolio by 2025.

We have extensive experience using the WELL building standard, starting with 720 Bourke Street, Melbourne - Australia's first existing building to achieve a WELL rating. 720 Bourke has recertified to Platinum, in addition to 447 Collins Street, Melbourne, and 83 Pirie Street, Adelaide, both achieving Platinum WELL pre-certified status. All our new office projects are committed to achieving Platinum WELL certification - including 121 Castlereagh Street, Sydney, 205 North Quay, Brisbane, and 435 Bourke Street, Melbourne.

We are using our extensive experience in the WELL building standard to develop a WELL Portfolio strategy targeting our existing portfolio. In 2022, Cbus Property received its first WELL Portfolio score and achieved WELL Health Safety ratings. Please refer to our case study on [page 31](#) of this report for more information.



Artist Impression



435 BOURKE STREET, MELBOURNE  
"POWERED BY NATURE"

## Case study

The vision for Cbus Property's new commercial office project in Melbourne, 435 Bourke Street, is to create another world-class commercial building to represent our leadership of resilient and sustainable development. We aim to enable diverse experiences and working environments that respond and adapt to evolving workplace trends.



Artist Impression  
435 Bourke Street, Melbourne

After in-depth market research and surveying a number of potential tenants, we proposed revising the existing design that captures the sustainability aspirations of Cbus Property (and the market) to truly create a new benchmark for sustainable offices.

435 Bourke will be one of the first office towers in the world to feature a "solar skin" façade, which integrates solar panels into the shading mechanism of the façade and wraps around the tower and crown of the building. The combination of vertical and horizontal solar panels is estimated to be able to generate around 20 per cent of the base building's electricity consumption.

With the remainder of the all-electric building to be powered by renewable electricity procured through an existing renewable energy agreement, the building will be Net Zero Carbon ready from the first day of its operation.

The design is also targeting a 5.5 star NABERS Energy rating (with aspirations to reach 6 stars), a 6 Star Green Star Buildings rating, Platinum WELL certification and Platinum WiredScore/SmartScore. 435 Bourke will be a pioneer project for Australia, if not the world, and one that responds to the future of the workplace, with a strong focus on sustainability, wellness, connection to the community, nature and productivity.



Artist Impression  
435 Bourke Street, Melbourne



# Responsible Supply Chain

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

Cbus Property is building partnerships with our contractors, suppliers and tenants to ensure we are creating positive change for our communities and the environment. We choose to work with suppliers and contractors that align with our vision and values, and meet our expectations and high standards for operating.

The construction industry has faced a challenging year, and issues within the global supply chain have led to increasing construction costs and delays in supply, illustrating the need for robust, diverse and ethical supply chains.

Cbus Property's direct suppliers include builders, architects, consultants and property managers. These service providers enable us to deliver value from our development projects and commercial office and retail investments.

Head contractors typically operate under 'design and construct' contracts and control the procurement of the goods and services of Cbus Property's indirect supply chains. This includes building materials, design consultants, labour services and trades to deliver the development under the specification of the contract briefs and requirements.

We work very closely with our builders to uphold our high standards of quality, safety and sustainable construction practices in our new projects and to mitigate against supply chain risks.

Cbus Property outsources the management of its commercial office and retail properties to specialised property management service providers. Property management involves the procurement of goods and services that support the operation and maintenance of the office and retail buildings, including cleaning, security, landscaping services, building maintenance and repairs, replacement of plant and equipment, utility services, waste services and office consumables.

Our property management teams and service providers are also crucial members of our supply chain; we work with them to manage our buildings in the most sustainable ways.

We are also exploring how we can collaborate with our tenants, facilitating them and our buildings, to operate more sustainably.

## Sustainable procurement

In FY22, Cbus Property has been working on embedding the principles of the best-practice ISO20400 Sustainable Procurement standard into our procurement systems and processes.

We have established sustainability procurement principles for purchasing goods and services we need for operating our business. Specifically, these include being ethical and responsible, transparent and fair, rewarding stewardship and accountability, using procurement to help drive positive sustainable outcomes.

We have been busy integrating our sustainability principles into our development business and all the systems and processes that support this business unit to ensure that we factor in any ESG-related risks and sustainability goals.

## CAF certification

Cbus Property continues to be a proud member of the Cleaning Accountability Framework (CAF), which we believe to be an effective supply chain and auditing standard for the cleaning industry.

We use CAF to demonstrate our commitment to a respectful, safe and fair environment for cleaning workers, with the added advantage of being an anti-modern slavery measure.

Our cleaners are a crucial part of our wider property management team and their roles are integral to the successful operation of our buildings.

In FY22, we certified two further buildings and a precinct in our commercial office portfolio, which means that 87 per cent of our managed office portfolio is now CAF-certified. We plan to certify the balance of our office portfolio by early 2023. We are also progressing CAF implementation across our retail portfolio.

**CAF** | MEMBER ORGANISATION



# Responsible Supply Chain

(continued)

## Customer engagement

Cbus Property is committed to providing exceptional customer service, which includes developing sustainable and healthy buildings in which work, live and shop, but also supporting our customers to be more sustainable.

We expend a lot of time and effort trying to understand our customers' needs and listening to the ways in which we could do better. We also closely monitor how our customers' needs are changing and evolving, particularly in the office space.

Cbus Property believes this approach is why our office portfolio has achieved first place in an independent tenant satisfaction survey for two consecutive years in a row, while exceeding the Premium Tenant Survey Index benchmark. This benchmark includes 60 other premium or A-grade assets across Australia. Despite our outstanding scores, we will continue to use tenant survey information to look for improvements and enhancements.

Our approach also includes targets to ensure that we provide our tenants with environmentally sustainable buildings, healthy spaces and positive communities, working together to make our buildings as sustainable as possible.

Cbus Property's FY22 focus has been on implementing our comprehensive Return to Work programs that encapsulate guidelines around mitigating risk, cleaning regimes, increasing outside air ventilation, air quality and hygiene practices and running activations to encourage people to return to the office. Our best-practice operational procedures have been recognised by WELL Health Safety certification, as mentioned in the case study on [page 31](#).

We monitor energy consumption by our tenants to identify patterns in energy use as our occupants return to our office buildings. We saw a 10 per cent reduction in tenant energy use in FY22 as compared to FY21.

## Modern Slavery program

Modern slavery is one of the most significant Human Rights issues facing the world today; Cbus Property is committed to tackling it across our supply chain.

We recognise the elevated risk of modern slavery in the construction industry. It impacts the supply chain of the construction materials used and elevates the risk of exploitation of low-skilled migrant workers through subcontracting arrangements.

Modern slavery risks in the property management services industry are likely to be elevated through outsourced services, with less visibility of working conditions for low-skilled or vulnerable workers in the deeper levels of the supply chain.

No actual or suspected incidences of modern slavery were identified in Cbus Property's supply chains or operations, or in those of our owned or controlled entities, during the FY22 reporting period.

In FY20, we formed a Modern Slavery working group with our parent organisation, Cbus Super, to coordinate approaches and share information about our Modern Slavery risks.

We continued to implement our Modern Slavery Roadmap. It outlines key actions and deliverables to reduce the risks in our supply chain, including:

- ▶ Ensuring 100 per cent of our employees received Modern Slavery training
- ▶ Using the Property Council of Australia's Platform to integrate Modern Slavery into our procurement processes for key suppliers
- ▶ Development of Human Rights policy that articulates our commitment to respecting Human Rights including Modern Slavery mitigation. The Policy is issued to all Principal Contractors, Managing Agents and Development Key Consultants as part of the tendering and procurement process.

- ▶ Adopting the use of best practice standardised modern slavery clauses for use in all key contracts; head contractor, property management agreements and services agreements.
- ▶ Embedding Modern Slavery due diligence and considerations into our procurement processes

During the Reporting Period, Cbus Property commenced a process to develop a Remediation Framework underpinned by best practice remediation principles (UN Guiding Principles Reporting Framework). We will continue developing and communicating our remediation framework over the next twelve months as we begin to pilot its implementation.

For more information, please refer to our latest Modern Slavery Statement [here](#).





# Materials & Waste

**We strive to play our role in developing a circular economy, ensuring the materials used in our buildings are responsible, renewable and healthy, and can be recovered for reuse and recycling.**

Employing a circular economy approach to the supply and disposal of the materials and products we use is crucial to achieve our goal of a sustainable future. Taking a 'resource, not waste' approach is a key principle of creating a circular economy.

Another significant area of focus for Cbus Property is setting standards for the materials and products we procure. Whether it be the equipment and building materials for the fitouts of our new projects or ensuring that our buildings are healthy, sustainably sourced and manufactured, and have transparent supply chains during operation.

## Operational waste

Cbus Property's operational recycling program goal for 2025 is to achieve a 75 per cent operational recycling rate across the portfolio and work towards the ambitious target of zero waste to landfill.

Our strategic approach to recycling includes measuring the material leaving our buildings by using the newest on-site scale systems, conducting on-site audits to better understand behaviours, recording data and analytics and running targeted engagement programs to promote recycling best practices.

COVID-19 has affected the overall volumes of waste and recycling being generated across both our retail and office portfolios. In FY22, Cbus Property reduced overall waste volumes by 49 per cent compared to FY19.

We have maintained the proportion of waste being recovered and recycled, now recycling 48 per cent of waste at our office portfolio and 42 per cent at our retail portfolio.

We achieved the highest rated NABERS Waste office portfolio again this year and have some of the highest recycling performing office buildings in Australia – such as 171 Collins Street, Melbourne, which achieved a 6 star NABERS Waste rating, and 720 Bourke Street, Melbourne, which achieved a 5 star NABERS Waste rating.

## Demolition and refurbishment waste

Construction practices, including capital works, tenancy fitouts and defits, and refurbishment projects can generate significant amounts of left-over material. However, most of these common materials can be reused or recycled into other materials or products.

In FY22, Cbus Property exceeded our target of 90 per cent recycling of building, construction and refurbishment waste, reaching 99 per cent at current development projects. This target is standard across all of our development projects and is included in contracts for our appointed contractors.

Also in FY22, we began developing a new program for managing the waste from refurbishments and tenant fitouts, in order to recover and recycle as much material as possible and ensure the materials we select help to minimise potential waste to landfill.

**99 per cent of all construction and demolition waste was recycled in FY22.**

## MACQUARIE CENTRE PILOTING ZERO WASTE FOOD COURTS

### Case study

**In 2020, a grant from the NSW Government was secured to pilot a 'Zero Waste Food Court' at Macquarie Shopping Centre in Sydney.**

Macquarie Centre has an ambitious target to extend its organics recycling program to the food court, collecting food and compostable packaging in a single waste stream.

Coupled with the recently installed smart bin technology called Charopy Smart Bins it will allow customers to effectively segregate waste into either beverage bottles which are eligible for the 10-cent container rebate or organics waste which can be composted.

In 2021 Macquarie Centre purchased a green smart organics waste compactor that can accept large volumes of organic waste to enable diversion of the organics waste stream from front and back of house areas. Macquarie Centre is currently focussed on the collection of organic waste direct from food tenants back of house areas.

Currently the NSW EPA recommends that compostable packaging not be collected alongside food in an organic waste stream. Macquarie Centre is actively working on a viable composting solution to implement front of house collection to take this initiative to the next step.



Macquarie Shopping Centre, North Ryde



# Environmental Performance Indicators






Cbus Property measures and monitors the environmental performance of our investments at both an investment and portfolio level. We capture a range of data to track our performance over time. This includes energy, water, carbon and waste performance data.

## 2022 Sustainability Data Pack and Basis of Preparation

We have prepared a data pack to disclose more detailed and investment-specific sustainability performance data. The data found in this report and within the associated 2022 Sustainability Data Pack has been prepared in accordance with Cbus Property's internal sustainability data and reporting methodology or "Basis of Preparation". For more details, please refer to the [2022 Sustainability Data Pack](#).

## External Assurance

Selected metrics included in this report, and the attached [2022 Sustainability Data Pack](#), has undergone an independent external limited assurance process by KPMG based on the ASAE3000 standard, to demonstrate our commitment to providing robust ESG performance data. Please refer to our 2022 Sustainability Data Pack for a copy of the Assurance Statement.

		Office		Retail	Total portfolio
		FY22*	Variance from	FY22*	FY22
	Energy intensity (MJ / nla )	338	1%	269	313
	Total energy use (GJ)	131,364	1%	57,731	189,095
	Renewable electricity (per cent)	100%	0%	19%	61%
	Carbon intensity (kg CO2-e / nla) (location)	47	-3%	58	51
	Carbon intensity (kg CO2-e / nla) (market)	10	-16%	53	25
	Total Scope 1 & 2 carbon emissions (tonnes CO2-e) (location)	18,423	-3%	12,444	30,897
	Water (potable) intensity (kL / nla)	366	0%	1,552	788
	Total water use (kL)	149,526	5%	333,507	483,033
	Recycled/reused water (per cent)	5%	3%	0%	1%
	Waste intensity (kg / nla)	2.7	-14%	20.3	9
	Total recycling (tonnes)	515	-15%	1,829	2,344
	Total landfill (tonnes)	551	-13%	2,542	3,094
	Recycling rate (per cent recycled)	48%	-1%	42%	43%
	NABERS Energy (stars)	5.5 stars	+ 0.0 stars	5.0 stars	n/a
	NABERS Water (stars)	4.8 stars	+ 0.7 stars	3.9 stars	n/a
	NABERS Indoor Environment (stars)	5.4 stars	+ 0.6 stars	n/a	n/a
	NABERS Waste (stars)	3.8 stars	+ 0.3 stars	n/a	n/a

\* Excludes new and sold assets within the FY21 period  
 # No FY21 comparison data available  
 MJ – megajoules | GJ – gigajoules

Total renewable electricity (includes onsite solar generation, offsite mandatory (RET) and offsite voluntary (GreenPower and LGCs) NABERS ratings as at 31 December 2021.

Net lettable area m<sup>2</sup>  
 CO2-e – carbon dioxide equivalent emission  
 Proportion of renewable electricity as a % of total electricity



# Investing in People

**Cbus Property is creating healthy, happy and inclusive places to work, live and shop.**

We put people at the heart of how we develop and manage our investments. We use our projects to drive positive change and social outcomes to the communities in which we operate.

We know that investing in people and communities is highly beneficial for our tenants, customers and communities, our partners and the business.

We invest in our employees through health and wellbeing programs and valuable training and development opportunities. We are working to create a culture of inclusion, diversity and respect throughout our organisation.



Pacific Fair Shopping Centre, Broadbeach

# Health & Wellbeing

More than ever, the health and wellbeing of people is paramount to designing and operating our buildings. At Cbus Property, we endeavour to create buildings that help make people healthier and happier.

We are focused on designing and managing buildings that improve the quality of air, light and water, promote active and healthy lifestyles and support mental wellbeing. All of which help lead to higher performing people, reduced illness and stress and improved work/life balance.



## Our people

Health and wellbeing have been a priority at Cbus Property for many years. Our Health & Wellbeing Framework has established workplace practices and initiatives that promote health and wellbeing and is highly valued by our employees.

The Cbus Property Wellness Model considers wellness a holistic, integrated concept and incorporates Physical, Social, Emotional, Spiritual, Environmental and Intellectual wellness pillars.

Our program includes an extremely popular Health & Wellbeing Allowance that our people can use for health clubs, gyms or other appropriate and approved activities. The program provides free health checks, flu vaccinations, flexible working support and an Employee Assistance Program.

Wellness at Cbus Property has been a significant driver of engagement in our people, as they continue to engage with our health and wellbeing initiatives following the pandemic. The organisation invests greatly in supporting our people to participate in wellness initiatives, such as international food festivals, massages and financial education, which benefit them in both health and cultural connection.

## Building occupants

Considering the health and wellbeing of the people who occupy our buildings is a key principle of the delivery and management of our buildings.

Cbus Property ensures a premium health and wellbeing experience service for our occupants that promotes both physical and mental wellbeing. This can include state-of-the-art wellness centres and spaces, online wellness platforms and end-of-trip facilities that encourage movement and active lifestyles.

We have taken what we have learned from COVID-19 and applied this to maintaining high-quality safety standards to continue to make our buildings safe.

As mentioned in the Building Certifications section, Cbus Property utilises the world-leading WELL building standard to integrate design and operational principles that enhance health and wellbeing and indoor environment quality, as well as promote mental health and wellbeing.

All of our new commercial office developments target Platinum WELL certified. We have committed to achieving Platinum WELL ratings at our existing office buildings by 2025, using the WELL at Scale portfolio program.

Cbus Property also uses the NABERS Indoor Environment (IE) rating to measure the key metrics associated with providing best-practice indoor environments, such as temperature, fresh air and lighting. Our office portfolio's NABERS IE rating of 5.1 stars is the second highest portfolio in Australia, with 1 William Street, Brisbane, and 313 Spencer Street and 171 Collins Street, both in Melbourne, achieving the highest possible rating of 6 stars.

# Training

Cbus Property offers training to all Employees. An annual allocation is set aside for each employee to use towards training and development.

Training includes induction, compliance and policy awareness, external leadership courses, first aid, warden, white card and OHS certificate courses, mentoring and coaching, industry seminars and formal education. In FY22, we supported our people by investing an average of 29 hours of training per person.

Cbus Property runs a comprehensive training program that covers leadership training and technical-related topics supporting paid study leave opportunities through university-level studies for approximately 50 employees. Our Senior Leadership Program, run by Melbourne Business School, provides our leaders with a significant opportunity to build greater leadership capability. The Senior Leadership Program focuses on building inclusive leadership, ensuring our leaders drive our inclusive culture.

Our Learning Management System (LMS) supports our compliance training, driving continued awareness in compliance, fraud and corruption control, health and safety, modern slavery and sustainability.

	2022	2021
Cbus Property average training hours	31.4	27.13



## Safety

Cbus Property is committed to ensuring that the health and safety of workers, including employees and contractors, and others, including partners, tenants, purchasers of residential properties and the general public, are not put at risk from our business activities. Furthermore, Cbus Property strives to exceed the minimum legislative standards for each jurisdiction in which we operate.

Cbus Property's goal is to eliminate, or if that is not reasonably practicable, minimise the incidence of injury and ill health, promote safe work environments, and ensure that Work/Occupational Health & Safety (WHS) is managed proactively throughout the organisation. The organisation's WHS governance structure, established via the WHS Policy and WHS Information and Procedures Handbook, which assists all employees to gain awareness of the applicable safety standards in the workplace and ensure they are able to identify and adhere to the relevant procedures to maintain a safe working environment.

Accordingly, it is expected that Cbus Property employees accept their responsibility to work safely, by working intelligently, with common sense and with foresight. All employees are expected to follow the applicable safety standards that apply to our organisation and adhere to all regulations as set out in WHS legislation.

This includes availability of medical personnel, communication and safety training, risk management, provision of Personal Protective and Life Saving Equipment (PPE), promoting safety in design and engaging in third party safety audits.

This approach continued to see us record comparatively low rates of lost time due to injuries in FY22 and we are committed to reducing the number further. Our Lost Time Injury Frequency Rate (LTIFR) of 1.86 compares to national averages of 6.3 for residential construction, and non-residential construction, as published by Safe Work Australia.

For more information, please refer to the [Cbus Governance Supplement](#).

	FY2022	FY2021	FY2020	FY2019
<b>Fatalities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Lost time injury rate</b> (based on per 1,000,000 hours)	<b>1.86</b>	<b>0.47</b>	<b>1.70</b>	<b>2.62</b>
<b>Near misses</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>21</b>
<b>First aid injuries</b>	<b>117</b>	<b>98</b>	<b>186</b>	<b>265</b>
<b>Medical treatment injuries</b>	<b>22</b>	<b>17</b>	<b>29</b>	<b>53</b>

## WELL HEALTH SAFETY RATING

# Case study

**The first step in our WELL Portfolio program was to target WELL Health-Safety ratings across our office portfolio.**

The IWBI WELL Health-Safety rating standard was developed by more than 600 scientists, practitioners and other experts. It is a novel way to acknowledge the strategies we employ to keep our tenants safe during COVID-19, reduce viral transmission, ensure high levels of fresh air and ensure safety procedures are in place. It focuses on operational policies, maintenance protocols and emergency plans and includes 23 strategies to:

- » Keep spaces clean and sanitised
- » Provide essential health benefits and services
- » Communicate health and safety efforts
- » Help everyone prepare for an emergency
- » Assess air and water quality

The WELL Health-Safety seal helps us communicate to everyone entering a space that evidence-based measures and best practices for safety have been adopted and third-party verified.



Collins Arch, Melbourne

We expect that this provides confidence for our tenants when returning to work that they are entering into a space managed by global best practices.

Cbus Property received its WELL Health Safety ratings in June 2022. We will continue to implement our WELL at Scale portfolio program in order to scale health and wellbeing outcomes for people in our offices.

**Our WELL at Scale program positively impacts around 19,000 people.**

# Diversity & Inclusion

**It is imperative that we create a cohesive, dynamic and inclusive culture at Cbus Property. One that values and celebrates diversity, advances and reconciles with our First Nations peoples.**

Cbus Property promotes a diverse and inclusive workplace where employee differences are valued. With a focus on diversity and inclusion, our employees' unique skills, perspectives and experience are encouraged to drive greater creativity and innovation. Reflecting and serving the needs of our diverse customer base, to drive improved business performance.

We focus on consistent leader behaviours and buy-in through a focus on inclusive practices and capability. Our Diversity & Inclusion (D&I) Strategy and action plan continue to integrate and embed the full benefits of diversity of thinking and psychological safety to bring new perspectives to the workplace, resulting in greater innovation, engagement, productivity and efficiency.

We build our D&I initiatives through the lenses of our Culture, Careers, Leadership, and Construction pillars:

- › **Inclusive Culture** - create 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 & Decision-making** - build the capability of leaders to seek perspectives different from their own in order 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 & Community** - invest in and develop properties based on inclusive design principles that will allow for access by a diverse range of community members, where applicable, while engaging with our suppliers, partners and stakeholder to influence the industry more broadly.

## Gender equality

Cbus Property aims to be a champion for gender equality in the construction and property industry. We recognise that more support is needed for females in the construction and property industries, and we have implemented gender equality targets and initiatives to ensure we play our part.

We have short and long-term goals to continue to drive gender equality across all levels of the business. In the short-term, we have met our FY22 gender representation targets, with 43 per cent female representation on our board, 29 per cent for Executive roles, 39 per cent for Senior Manager roles and 44 per cent across the business.

Cbus Property has been reporting to the Workplace Gender Equality Agency (WGEA) since 2014 as part of our compliance processes and you can read our latest WGEA report [here](#).

Positive results were achieved in improving our gender balance at Manager level and above:

- › Two thirds of promotions were for female employees, with 62.5 per cent of managerial appointments being female.

For more information on our people, please refer to our latest [WGEA report](#) and the [Cbus Governance Supplement](#).

## Diversity in Construction

Lack of apprentices is an emerging issue and it is now proving challenging to source enough workers for projects. There are up to 100,000 jobs in the industry that could be filled.

Cbus Property has been setting specific targets for our construction jobs. Our appointed contractors must provide a certain number of hours to under-represented groups, including women, Indigenous people and apprenticeships. This is about providing equal opportunities to all highly skilled workers and stable construction jobs to everyone; growing a pipeline of highly-skilled tradespeople.

While we have only recently started tracking the results, the current figure for live projects is 4.2 per cent (65,900 hours) of total project hours for female workers and 3.4 per cent (52,900 hours) allocated to Indigenous workers and Indigenous apprenticeships.

Cbus Property plans to build on these figures and contribute to the advancements of a more diverse construction industry - one that will benefit not only us, but all of our members.

	2021	2022	2024 Goal
<b>Gender composition of Cbus Property employees &amp; governing body, by position level</b>			
<b>Cbus Property Board</b>	<b>29%</b>	<b>43%</b>	<b>40%</b>
<b>Executive</b>	<b>29%</b>	<b>29%</b>	<b>40%</b>
<b>Senior Roles</b>	<b>25%</b>	<b>39%</b>	<b>40%</b>
<b>All employees</b>	<b>40%</b>	<b>44%</b>	<b>40%</b>



## Reconciliation

### Cbus Property promotes reconciliation with First Nations peoples and communities by building respect, relationships, equality and opportunities.

We aim to recognise and pay our respects to the significant contributions Indigenous people make to this country, raise knowledge and awareness of their issues, and provide opportunities through our business to contribute to the advancement and determination of First Nations peoples.

Our reconciliation initiatives include acknowledging traditional custodians of the lands on which our buildings are located, by supporting important events such as NAIDOC Week and National Reconciliation Week. We are using our procurement power to drive change, setting participation pathways for our development projects to include targets for Indigenous workers and apprenticeships.

Artist Impression:  
Collins Arch, Melbourne

## 140 WILLIAM STREET, STORYTELLING THROUGH INDIGENOUS ARTWORK

### Case study

**Cbus Property, in collaboration with CBRE, UAP and Artify, undertook a project to reimagine the artwork in the retail precinct of 140 William Street, Perth.**

The process involved engagement and research to capture and understand the traditional significance of the land, while curating meaningful storytelling through artwork. The overarching design was to celebrate First Nations history and the synergy between the built form of work, retail and transport through a positive collaboration space.

The Whadjuk Noongar people are the traditional custodians of the Country on which 140 William is located. It was once a swampland containing bodies of water that are today reclaimed. The Whadjuk Noongar people have lived on this land for more than 40,000 years.

“ We walk alongside as an ally. ”

The design curation encompassed paying homage to the site and its historic origins, as a transitional meeting point and place of regeneration. A collaborative approach was taken to commission local Indigenous artists that honour the traditional significance of the land, as well as facilitate a celebration of Noongar culture that was delivered in a supportive and respectful manner. Local Indigenous artists, Kamsani Bin Salleh (Kambarni) and Marcia McGuire, were endorsed by cultural advisors.

Railway Lane and Globe Lane were selected for the mural landscapes. Commissioned in May 2022, an immersive community arts campaign was launched to support and amplify the installation. The installation was featured on live television across a major national network as well as in numerous print media articles.



Artwork by Kambarni and Marcia McGuire,  
140 William Street, Perth

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# Community

## Cbus Property strives to deliver social value and generate positive outcomes for our communities.

We aim to deliver strong, liveable and sustainable communities. We achieve this by creating and maintaining strong connections through positive community engagement and authentically investing in our communities.

### Community investment strategy

Cbus Property has been investing in our communities for many years. However, we have recently recognised the need for a more strategic approach to how we engage and invest in our communities to drive value.

In FY22, we initiated a process to develop a community investment strategy. This strategy has been devised to build on our existing community activities and partnerships; to maximise the social impact from our community activities. We will determine an area of focus that connects to our purpose and business, look at new ways we can support our communities, and ensure that we are measuring the positive impacts we make on our communities.

### Community engagement

In FY22, we have evolved our approach to community engagement with the aim of creating a more robust and consistent process and facilitating stronger engagement with our key community stakeholders.

Cbus Property is developing a Community and Stakeholder Engagement Framework that will apply to our development projects moving forward. This will ensure that we understand our local stakeholders and are proactively engaging with them ahead of the design and development of our projects. If we want to build a legacy by creating exceptional properties and places, then it is critical that we understand and collaborate with our neighbours. The Framework provides a range of tools and processes such as a Construction Communications and Engagement Plan. This ensures that the project team is aware of who will be impacted. The plan identifies the risks and mitigation measures, and outlines the communication and engagement activities for the duration of the project. These risks can include noise impact, dust suppression, vibration, air quality, traffic, and more. We aim to be a respectful neighbour and have a proactive "no surprises" approach to our engagement.

The Framework also identifies opportunities to positively engage with the local 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.

## ENGAGING OUR COMMUNITIES – EAST WALKER STREET, NORTH SYDNEY

### Case study

**In July 2021, Cbus Property purchased a site at 173-179 Walker Street and 11-17 Hampden Street, North Sydney, as part of a joint venture, with the intent to redevelop it into an iconic residential project.**

We recognised early on that engagement with the local community was paramount, particularly due to the significant community and stakeholder interest in the project as part of the site's rezoning.

A detailed Communications and Stakeholder Engagement Strategy was developed to support the community and stakeholder engagement throughout the Development Application (DA) process. The strategy outlined the objectives, mapped out and analysed stakeholders, identified risks and opportunities, and set out the communication and engagement approach and timings. The strategy focused on three key stages:

- Stage 1: **Listen** to local concerns and knowledge, building relationships and ensuring previous feedback was understood by the project team;
- Stage 2: **Share** with the community how feedback has informed and been considered in the proposal; and



- Stage 3: **Inform** the community of the DA public exhibition process and address any enquiries received.

The process included a number of deep engagement activities to better understand key issues and share how the proposed design has responded to local concerns. These included street meetings, neighbour briefings and surveys to capture feedback from the local community. The feedback from the rezoning and more recent consultation was taken into consideration by the appointed architecture firm, fjmstudio, which enhanced the building design to respond to community concerns. The architects worked carefully within the approved planning controls to design a building that optimises view sharing and sunlight access for the site's immediate neighbours, resulting in a unique and innovative design, generated directly from key community issues. Cbus Property's focus on early, meaningful engagement with the local community has resulted in open and transparent dialogue with our neighbours, helping to build confidence in the project.



# Future Ready

**By having strong governance, robust management systems and investing in innovation, Cbus Property is ready to tackle the opportunities and risks of the future and safeguard the long-term value of our business.**

The world has undergone significant changes throughout past few years. It is now more important than ever to be taking steps to plan for the future. We aim to stay ahead of the game, to differentiate our product and shield ourselves against market disruption. A key component of this is to understand what our customers want by using data and technology to gather data and insights to inform our projects and evolve our products.

We need to have robust systems and processes in place to be assess risks and opportunities.

The next decade is about pushing boundaries by enhancing resilience of development and investment. Ultimately, this will help us safeguard the long-term value of our business.



Artist Impression  
205 North Quay, Brisbane

# Governance & Transparency

**We maintain robust governance systems and processes to respond to Environmental, Social & Governance (ESG) risks and provide comprehensive ESG performance reporting to our stakeholders.**

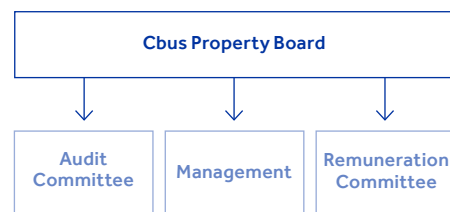


Artist Impression  
Newmarket Randwick Stage 2

## Governance

Having robust governance processes in place is the foundation for Cbus Property's performance platform for managing our material ESG risks.

The Cbus Property Board is responsible for the governance, risk management, financial and strategic performance of Cbus Property. Cbus Property Board Directors are selected and appointed by Cbus. The Cbus Property Board is supported by two sub-committees, the Audit Committee and the Remuneration Committee.



Cbus Property also has a series of management-level committees. In 2019, Cbus Property formed a Sustainability Management Committee, which is made up of executives and senior leaders across our business functions. Chaired by the Chief Investment Officer (CIO), the role of the committee is to oversee the implementation of our Sustainability Strategy. The committee meets quarterly.

Please refer to the **Cbus Governance Supplement** for more detail on Cbus Property's governance structures.

## Policies

Cbus Property's business is governed by a range of policies that outline the requirements of how we conduct business in an ethical, responsible and transparent manner.

In December 2021, the Cbus Property Board approved our Human Rights Policy, a significant addition to our suite of policies that sets out our commitment to respecting the rights of all people; treating everyone with dignity and respect. The Policy also outlines our commitment to mitigating modern slavery risks.

Key policies aimed at managing ESG risks include:

- » Charter of Selection and Conduct Criteria for Consultants and Principal Contractors
- » Conflicts of Interest Policy
- » Diversity & Inclusion Policy
- » ESG Policy
- » Fraud & Corruption Control Policy
- » Human Rights Policy (approved in December 2021)
- » Risk Management Framework (RMF)
- » Whistleblower Policy (updated in FY22)
- » Work, Health & Safety (WHS) Policy

## Risk management

Cbus Property's approach to managing ethical behaviour is governed by its Risk Management Framework (including a Risk Appetite Statement) and a comprehensive range of governance policies, including a Code of Conduct. Regular oversight is maintained by management and the Cbus Property Board, with the assistance of both internal and external auditors. Cbus Property's policies, including the Risk Management Framework, are scheduled for review by the Board every two years and by management annually. Cbus Property has mechanisms in place for reporting of concerns, including an independent external whistleblower service.

The Risk Management Framework covers economic, environmental and social risks and the responsibilities of the Cbus Property management team include economic, environmental and social factors.

Cbus Property actively evaluates and manages risk across its portfolio. We assess the risks of all projects and investments and put measures in place to appropriately manage these risks.

A number of factors have been integrated into our strategic and operational risk response, including the ongoing impact of the COVID-19 pandemic and ESG risks and opportunities. We have outlined our current and emerging risks in the Cbus Annual Integrated Report found [here](#).



## Environmental management

Cbus Property takes a best-practice approach to managing its environmental risks and impacts. We complete detailed due diligence on our potential new acquisitions to identify any environmental risks and all of our construction projects are managed under an accredited ISO14001 Environmental Management System (EMS) and site-based Environmental Management Plan (EMP).

As are our office and retail buildings, which operate under site-specific EMPs, which are either aligned or accredited to the ISO14001 standard.

In FY22, Cbus Property was not involved in any ESG-related breaches or incidents that resulted in fines or penalties.

## Reporting

This Sustainability 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 Global Real Estate Sustainability Benchmark (GRESB), to benchmark ourselves against industry leaders.

Cbus Property achieved another exceptional result for the 2022 GRESB assessment and was awarded the Global Sector Leader in both the Investments (Diversified – Office/Retail) and Developments (Diversified – Office/Residential). Cbus Property was also ranked 19th out of all global participants. Since our investment in two shopping centres in FY22, our sector has changed to 'Diversified: Office / Retail'.

	2022	2021	2020	2019
<b>GRESB Main Survey (Australia)</b>	<b>1st*</b> 5 stars (Global Sector Leader)	<b>4th</b> 5 stars	<b>3rd</b> 5 stars	<b>2nd</b> 5 stars
<b>GRESB Developer (Global, Commercial / Residential Sector)</b>	<b>1st</b> (Global Sector Leader)	<b>3rd</b>	<b>1st</b> (Sector Leader)	<b>3rd*</b>

\* Change in GRESB sector

## SUSTAINABLE FINANCE FRAMEWORK

# Case study

## In early 2022, Cbus Property transacted its first two Green Loans in tandem with the launch of its Sustainable Finance Framework.

Successfully executing the two Green Loans in accordance with the new Sustainable Finance Framework reinforced our industry-leading sustainability program.

Cbus Property's robust Sustainable Finance Framework outlines how we intend to issue and manage sustainable finance instruments to support the delivery of our development pipeline and underpin our investment portfolio.

Sustainable finance is another important layer to our comprehensive Sustainability Strategy and will help facilitate our goal to become a world leader in the sustainable development and management of commercial, retail and residential property.

The two Green Loans align to the Asia-Pacific Loan Market Association's Green Loan Principles (APLMA), qualifying under the 'Green Buildings' eligibility criteria as established in the Sustainable Finance Framework.



The funds are being used for 83 Pirie Street, a next-generation office tower in Adelaide's CBD, and the redevelopment of 111 and 121 Castlereagh Street, a world-class mixed-use building in Sydney's CBD.

83 Pirie and 121 Castlereagh (commercial office) are targeting 6 Star Green Star and 5.5 star NABERS Energy design ratings, while 111 Castlereagh (residential) is targeting a 7.6 Star average NatHERS rating across its residences.

Cbus Property will utilise this framework for our upcoming developments and are exploring opportunities to underpin sustainable-linked loans for our existing portfolio.

It has been independently verified by EY through an assurance process that ensures alignment with best-practice standards. Including the voluntary guidelines issued by the APLMA, International Capital Market Association (ICMA), Loan Markets Association (LMA) and Climate Bonds Initiative (CBI).

For more information on our Sustainable Finance Framework, please visit [link](#).

# Resilience

**We need to make sure that our business, investments and communities are prepared for the future, by building in the resilience required to manage future climate and other risks.**



Pacific Fair Shopping Centre,  
Broadbeach

## Climate risk and resilience

Climate change is a material risk to our business, as identified through our Risk Management Framework. 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 are aware of now and those that may appear in the future. Taking a leadership position now will reduce the potential financial implications that could arise due to climate-related operating costs, capital costs or project delays.

Our climate risk and resilience strategy focuses on two key areas:

- ▶ **Transition risks:** Limiting Cbus Property's exposure to climate-related transition risks by decarbonising our investments and supply chains, supporting the transition to a low-carbon economy.
- ▶ **Physical risks:** Designing and managing buildings that are resilient to climate-related physical risks and impacts now and into the future, while also contributing to the resilience of the surrounding community and the systems we interact with and rely upon.

We have assessed climate risks against a series of different scenarios, covering short and long-term time horizons, including up to 2050.

## Transition risks

We have carefully assessed the transition risks to our business by utilising two key scenarios – firstly, the International Energy Agency's Beyond 2 Degrees C Scenario (B2DS) and secondly, the Science Based Targets initiative (SBTi).

These tools informed our decarbonisation strategy and presented us the rationale to accelerate our Net Zero Carbon target to be achieved in early 2022. This is a way to mitigate against exposure to fossil fuel-based energy sources. We are now working on Zero Carbon plans for each of our office buildings to further drive decarbonisation of our portfolio.

We are also tackling embodied carbon through introducing embodied carbon reduction targets for our development projects. This 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 signals of our low carbon intentions to the broader industry to drive innovation and demand.

## Physical risks

We have assessed our physical risks using the two main Representative Concentration Pathway (RCP) scenarios known as RCP4.5 (moderate global effort to curb emissions) and RCP8.5 (minimal global effort to curb emissions), which help determine the potential magnitude of acute and chronic impacts on our business.

In late 2021, we expanded on our physical risk assessments of each of our investments to further assess risk, create specific plans to address any short- and long-term vulnerabilities of the investment and create plans to address these risks.

As our office investments are comparatively new, they have been designed with short-term climate risks already in mind. Therefore, the assessments prioritise long-term climate risks, particularly those which may arise as our buildings age, and as the building systems reach end of life.

Our retail portfolio has also been assessed for climate risk and resilience and we have modelled to forecast the potential financial implications of various climate risk scenarios.

Furthermore, we have commenced a process to better articulate climate risks in our site acquisition and due diligence process, to better understand any long-term risks to investments.



# Innovation

**During this period of market disruption and rapid change, Cbus Property is using innovation and technology to keep us at the forefront of our customers' needs and to unlock further opportunities to deliver more sustainable buildings.**

Our industry is ever-evolving and we must continue to be agile in our response to that evolution. Cbus Property's continued ability to move quickly and remain nimble provides us with a point of difference that has continued to position us well throughout our rich 16-year history.

With this in mind, understanding the needs of our customers is the main focus for future success.

Research among existing and prospective tenants for office space highlighted that wellbeing and the retention and attraction of new employees are bigger concerns than cost. In addition to demonstrating a clear and genuine commitment to sustainable buildings.

We are committed to fostering a culture of innovation that will keep us at the forefront of building design, technology, experience and sustainability. We have established an internal innovation function to work across our business to drive innovation and harness opportunities to keep us at the cutting-edge of office, retail and residential buildings.

## Smart Buildings

Cbus Property is committed to driving technology solutions across our investment and development portfolios, ensuring that we provide an optimised experience for all of our stakeholders. We are working to create a portfolio of 'Smart Buildings' that deliver both exceptional user experiences and sustainable outcomes.

We are seeing a heightened demand for the best standards of practice in digital connectivity and Smart Building technology from our commercial tenants in their selection of a building.

In 2021, we developed and piloted our Smart Building Roadmap at 720 Bourke Street, Melbourne, which has laid the foundation for a portfolio-wide approach to Smart Buildings and digital technology, which we will be rolling out across our existing buildings and integrating into new development projects over time.



720 Bourke Street, Melbourne

## SMART AND CONNECTED, BUILDINGS OF THE FUTURE

# Case study

**Cbus Property has partnered with WiredScore to implement robust and global best practice digital connectivity, as well as Smart Buildings technology, across our new developments and existing portfolio of commercial office buildings.**

WiredScore sets the global standards for technology in the built environment through two certifications, WiredScore and SmartScore, covering digital connectivity and Smart Buildings. We are using these platforms to measure, improve, benchmark and promote the digital capability and experiences we deliver across our portfolio.

The fruition of our partnership has led to some significant recent achievements:

- ▶ **720 Bourke Street, Melbourne** – Achieved Platinum WiredScore certification and targeting Platinum SmartScore certification as a retrofit upgrade to the building's digital capability.
- ▶ **83 Pirie Street, Adelaide** – Targeting Platinum WiredScore and SmartScore certifications, setting a new standard for new office developments in Adelaide.
- ▶ **435 Bourke Street, Melbourne** – Targeting Platinum WiredScore and SmartScore pre-certification.

Targeting global best practice allows Cbus Property to maximise our investment into technology by ensuring we are at the cutting edge of technology and future-proofing our buildings for the rapid evolution and innovation in this space, while supporting the long-term financial viability of our portfolio.



Artist Impression  
435 Bourke Street, Melbourne





Artist Impression  
Como Terraces, South Yarra

# Information about this Report

## Supporting Information

This 2022 Sustainability Report forms part of a collection of reporting disclosures, or Reporting Suite, which can be found online at [cbussuper.com.au](https://cbussuper.com.au)

- › Cbus Annual Integrated Report 2022
- › Responsible Investment Supplement
- › Stakeholder Engagement and Materiality
- › Governance Supplement

## Global Reporting Initiative (GRI)

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

## External Assurance

Selected metrics included in this report, and the attached 2022 Sustainability Data Pack, have undergone an independent external limited assurance process by KPMG based on the ASAE3000 standard, to demonstrate our commitment to providing robust ESG performance data.

## 2022 Sustainability Data Pack & Basis of Preparation

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

The data found in this report and within the associated 2022 Sustainability Data Pack has been prepared in accordance with Cbus Property's internal sustainability data and reporting methodology or "Basis of Preparation". For more details, please refer to the [2022 Sustainability Data Pack](#).

## Climate Active Carbon Neutral

We are a proud member of Climate Active, Australia's 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






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 **cbus  
property**  
SUSTAINABLE BY DESIGN



**CAF** | MEMBER  
ORGANISATION



Cbus Property is  
a Climate Active  
Carbon Neutral  
certified organisation