



2020 Sustainability Report



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Cover image: 140 William St, Perth
Back image: Collins Arch, 447 Collins St, Melbourne

A Message From Our CEO



From Cbus Property's inception in 2006, sustainability has been core to the way we develop and manage our investments. Our buildings are built to deliver positive value to the environment, our communities and our members.

We are proud to share with you the significant progress made in the 12 months since our last report.

Our results not only show that we are delivering on our goals, but more importantly, that this strategy creates tangible value for all of our stakeholders.

Highlights include:

- ▲ Signing a 10-year renewable power purchase agreement (PPA) in June 2020 to power a 10-year renewable power purchase agreement (PPA) to power our Melbourne commercial assets with 100% renewable electricity, taking a significant stride towards our goal of becoming Net Zero Carbon.
- ▲ Achieving the highest rated NABERS Energy portfolio in Australia for the second consecutive year, and the highest rated NABERS Waste portfolio, in the NABERS Sustainable Portfolios Index (SPI) 2021.
- ▲ Exceptional performance in the annual Global Real Estate Sustainability Benchmark (GRESB) survey, achieving the Global Development Sector Leader for the Diversified – Office/ Residential sector, and placing third in the Australian non-listed office sector for standing assets.

“2020 has been a tumultuous yet transformative year for all sectors. Importantly, for Cbus Property, 2020 reinforced the fact that sustainability is fundamental to the success of our business and key to creating our point of difference. While we have all been forced to pivot and adapt, we are proud to continue to focus on creating inherently sustainable, healthy and safe workplaces and residences for the wellbeing of people.”

COVID-19 has presented some challenges throughout the past 12 months but as an organisation, I am excited by the opportunities that have also emerged for increasing the pace in which we embrace technology and innovations, and transforming the way we design and manage buildings to enhance the health and wellbeing of our occupants and increase our sustainable ambitions.

Cbus Property has made an update to our sustainability reporting method to align to a financial year period. We have produced this interim report to provide an update on meeting our objectives and disclose information on our performance.

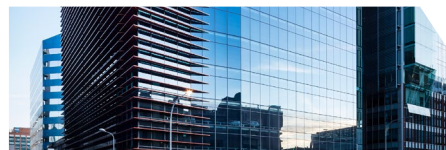
Stay tuned, as we will be producing a more comprehensive report based on the FY21 period to be launched alongside the Cbus Integrated Report.

Adrian Pozzo
Chief Executive Officer
Cbus Property

Our Core Portfolio

Cbus Property has created one of the most high-quality, sustainable and industry-recognised commercial portfolios in Australia.

Our portfolio currently exceeds \$5.0 billion in value, representing a WALE* of 10.3 years with an 98.9% occupancy.



South Australia

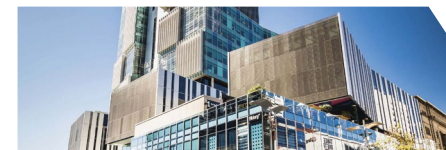
50 Flinders St, Adelaide
(sold 24 August 2020)



New South Wales

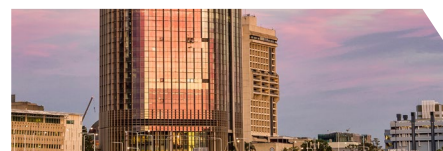
1 Bligh St, Sydney
(sold pending FIRB approval)

5 Martin Pl, Sydney



Western Australia

140 William St, Perth



Queensland

1 William St, Brisbane



Victoria

171 Collins St, Melbourne

311 Spencer St, Melbourne
(live 9 July 2020)

313 Spencer St, Melbourne

447 Collins St, Melbourne
(live 1 April 2020)

720 Bourke St, Melbourne

Our Company

Cbus Property is a wholly owned subsidiary of Cbus, the industry superannuation fund for the construction, building and allied industries, with funds under management exceeding \$59 billion at 31 December 2020. Cbus Property has responsibility for the strategic performance and management of all aspects of the Cbus direct property investment business, including major investments and developments in the commercial and residential sectors, making Cbus Property one of Australia's leading integrated property investors.

* Weighted Average Lease Expiry

Development Projects

Our development pipeline showcases a further \$4.0 billion of development work “in hand”, including some of the most iconic commercial and residential developments in Australia, which are integrating the highest sustainable design principles. For more information – please refer to our [website](#).



Queensland

443 Queen St, Brisbane - Residential (2022 completion)



New South Wales

Newmarket, Randwick - Residential

(Stage 1 - completed 2020, Stage 2 - 2023 completion)

111-121 Castlereagh St, Sydney - Mixed-Use

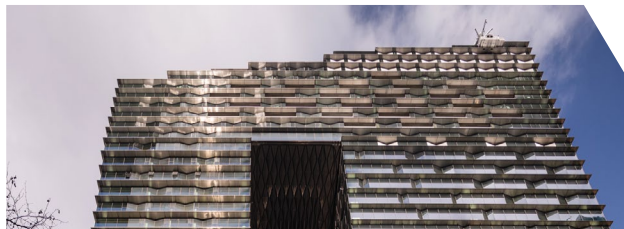
(2023 completion)

The Langston, Epping - Residential (2021 completion)



South Australia

83 Pirie St, Adelaide - Office (2022 completion)



Victoria

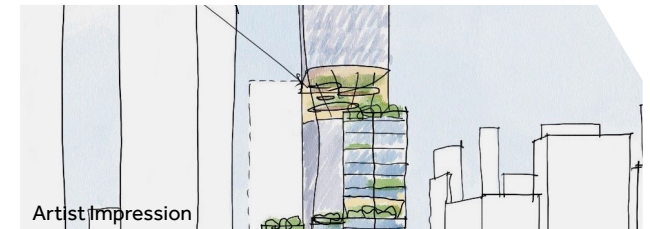
Collins Arch, 423 Collins St, Melbourne - Residential
(completed 2020)

Collins Arch, W Melbourne Hotel
(completed 2020)



17 Spring St, Melbourne - Residential (2022 completion)

Como Terraces, South Yarra - Residential
(2024 completion)



435 Bourke St, Melbourne - Office (yet to commence)

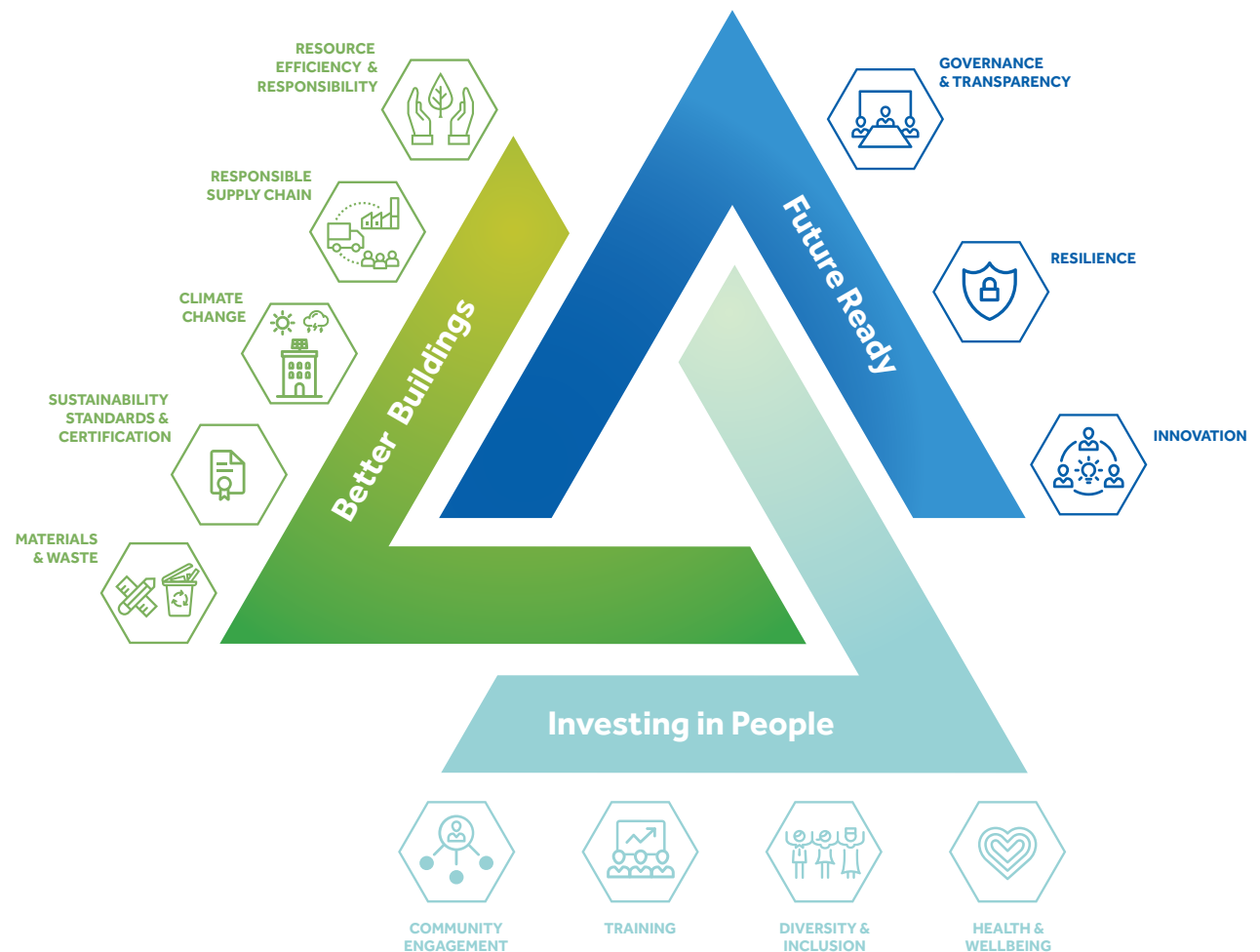
Our Strategy

Cbus Property's Sustainability Strategy aims to position us as a world leader in the sustainable investment, development and management of commercial and residential buildings.

Sustainability is integrated into our broader business strategy, meaning our sustainability strategy activities deliver value to our business as a whole and to our stakeholders – our members.

Our strategy comprises of 12 key focus areas, grouped into three core themes:

- **Better Buildings** - Invest in, develop and manage world-leading sustainable buildings
- **Future Ready** - Be ready to tackle the opportunities and risks of the future
- **Investing in People** - Create healthy, happy and inclusive places to work and live



Our strategy is positioned to contribute towards the UN Sustainable Development Goals (SDGs), particularly on the nine goals where we as a company can have the most influence.

Key Achievements

2020 was another year of significant milestones for Cbus Property. We have continued making progress towards achieving our sustainability goals and aspirations, and our ultimate goal of being a world leader in sustainable property investment and development.



1st

Retained our top spot as the highest rated NABERS Energy portfolio* and also rated highest for NABERS Waste, making Cbus Property among the most sustainable commercial portfolios in Australia

5.5★

NABERS

OFFICE
ENERGY

PORTFOLIO

5.1★

NABERS

OFFICE
INDOOR ENVIRONMENT

PORTFOLIO

3.5★

NABERS

OFFICE
WASTE

PORTFOLIO

4.1★

NABERS

OFFICE
WATER

PORTFOLIO

NABERS ratings as at December 2020
*(NABERS Sustainable Portfolios Index)



1st

GRESB Development Sector Leader for the Diversified – Office/Residential sector and 3rd in GRESB's Australian non-listed office sector for standing assets



G R E S B[®]
REAL ESTATE
Sector Leader 2020



100% renewable

Powering our Melbourne-based core investments with 100% renewable electricity through a 10-year renewable power purchase agreement












Melbourne
Renewable
Energy
Project

Progress on Targets










In our last report, we established a series of FY21 targets and objectives, to advance the implementation of our sustainability strategy.

In light of a challenging year, Cbus Property made significant progress towards meeting our objectives. If anything, we ramped up our program, laying out plans to advance our Net Zero Carbon ambition, expanding our NABERS ratings coverage, and implementing new health and wellbeing initiatives throughout the portfolio.

This section is to highlight our progress throughout the past six months towards meeting our FY21 objectives, reporting on progress up to 31 December 2020. With six months to go, we are confident in our ability to meet all our objectives and will provide an update in our FY21 Sustainability Report later this year.

	Material Issue	FY2021	Progress update	Status
Better Buildings	Resource Efficiency & Responsibility	Achieve a further 2% reduction in energy, carbon emissions, water and waste generation across the portfolio	As shown in the Performance section on page 10, we are currently exceeding our 2% reduction targets for energy, carbon, water and waste generation.	 On track
	Climate Change	Develop a Net Zero Carbon strategy for the portfolio	Cbus Property has developed a clear roadmap to achieving Net Zero Carbon for our portfolio, and are looking to accelerate our target from 2030.	 Completed
		Integrate adaptation and resilience measures into asset management and capital plans	Continued to advance our climate risk and resilience program, through integrating resilience into our asset management risk management procedures and considerations in our capital planning process.	 Completed
	Sustainability Standards & Certifications	Develop a 5 Star Green Star Performance strategy	In 2020, we formulated a Green Star Performance Strategy to achieve 5 Stars across the portfolio, and are starting the implementation in early 2021.	 Completed
		Maintain our 5.5 star NABERS energy rating and achieve a 4 star NABERS Water rating	As reported through the NABERS Sustainable Portfolios Index (SPI) we maintained a 5.5 star NABERS Energy portfolio rating, and increased our NABERS Water rating to 4.1 stars.	 Completed
		Expand NABERS Indoor Environment (IE) and Waste ratings to 100% of the portfolio	In 2020, we expanded our NABERS ratings to include some investments for the first time, and have plans in place to undertake ratings of all investments by 30 June 2021.	 On track
	Materials & Waste	Develop and implement a program specifically targeting construction, demolition and refurbishment building waste	We are currently tracking at a 93% recycling rate for waste from our development projects. We are also developing a refurbishment waste program targeting at least 80% recycling of all refurbishment and deficit waste activities, to be implemented in 2021.	 Completed
		Achieve a recycling rate of 60% for operational waste across the portfolio	As shown in the Performance section on page 10, we achieved a (operational) recycling rate of 52%, improving by 1% compared to 2019. The low building occupancy during 2020 has impacted our waste program, and we have a significant focus on re-establishing our waste initiatives for 2021.	 On track
	Responsible Supply Chain	Develop and implement a Modern Slavery Action Plan to address modern slavery risks within our supply chain	In conjunction with Cbus, we developed a joint Modern Slavery Action Plan as outlined in our 2020 Modern Slavery Statement. As at December 2020, eight out of 11 actions are either completed or on track to be completed, with three more planned to be completed in 2021.	 On track

Progress on Targets (continued)

	Material Issue	FY2021	Progress Update	Status
Investing in People	Community Engagement	Implement a community investment reporting system to capture and measure the contributions to our communities	A community investment reporting framework was created and implemented throughout our investments, to effectively measure and capture community data in a consistent manner.	 Completed
	Training	Continue rolling out training to all employees on key ESG matters, with a particular focus on emerging issues, such as modern slavery	Through our new Learning Management System, we conducted a series of training on Environmental, Social and Governance issues, such as business-wide Modern Slavery training.	 Completed
	Diversity & Inclusion	Achieve our corporate gender representative targets of 40% for all employees, and 25% at executive and senior leaders levels	Results as at December 2020 demonstrate we are meeting our gender representation targets, with 29% for Executives and Senior Managers, and 41% for all employees.	 Completed
		Establish targets across other areas of our diversity and inclusion strategy	A refresh of our Diversity and Inclusion program is planned for 2021, which will broaden our program to include greater diversity and inclusion targets and initiatives.	 On track
	Health & Wellbeing	Implement a new health and wellbeing resources hub and aim to achieve 40% participation in the program across the organisation	Started tracking employee engagement with our Health Dashboard and Wellbeing Hub, tracking at 68% and 50% respectively.	 Completed
		Develop targets and measures to track the performance of our Health and Wellbeing program and activities	Employee Survey results demonstrated a 16% increase in support for the Health and Wellbeing program, and identified areas for improvement and new areas to focus on.	 Completed
Future Ready	Governance & Transparency	Refresh our Green Leases to reflect best practice standards and integrate into all new lease deals	We updated our lease template to align with best practice Green Lease requirements, and it is now being used as our standard lease.	 Completed
	Resilience	Conduct a business-wide resilience risk assessment to assess community, social and other potential and emerging risks and long-term impacts to our business	We conducted a series of Risk and Resilience workshops in October and December 2020, where we identified material business resilience risks, conducted a deep dive into material climate change risks for Cbus Property, and reviewed our Risk Management Framework to integrate Climate Risk and Resilience.	 Completed
	Innovation	Assess feasibility and pilot new technology and solutions identified in our innovation forum	Developed an innovation program with our assets to test and trial a series of new technologies and programs with a focus on sustainable outcomes.	 Completed

Our Performance

Cbus Property's sustainability program has been integrated systematically into the way we manage our investments.

We use a portfolio-wide approach to establish standards and targets, then rely on our highly experienced onsite management teams to drive the sustainability performance of each investment.

Sustainability Performance Indicators

Cbus Property tracks the performance of our portfolio of investments against key Sustainability Performance Indicators.

Our results show a significant improvement across all key indicators, demonstrating our continued focus on sustainability across our portfolio and also representing a reduced resource intensity due to lower occupancy during the COVID-19 lockdown period.

Our reporting period is January 2020 to December 2020.

Sustainability performance highlights



Energy intensity | 301 MJ / m²

↓ 16%
since 2016



Carbon intensity | 34 kg CO₂-e/m²

↓ 30%
since 2016



Waste intensity | 3kg waste / m²

↓ 64%
since 2016



Recycling rate | 52% diverted from landfill

↑ 7%
since 2016



Water intensity | 437 litres / m²

↓ 25%
since 2016













Renewable electricity

↑ 43%

of all electricity consumed in 2020 is renewable (onsite and purchased)

Our Performance (continued)

	 Net Lettable Area (m ²) ¹	 Energy Intensity (MJ / m ²)	 Carbon Intensity ² (kg CO ₂ -e / m ²)	 Water Intensity ³ (L / m ²)	 Recycling Rate (% diverted from landfill)	 Total renewable electricity ⁴ (% of total electricity)	 NABERS Energy ⁵ (star)	 NABERS Water ⁵ (star)	 NABERS IE ⁵ (star)	 NABERS Waste ⁵ (star)
1 Bligh St, Sydney⁶	42,475	304	68	402	46%	20%	5.5	4.5	NR	NR
1 William St, Brisbane	76,581	200	44	515	55%	19%	5.5	4	6	3.5
140 William St, Perth	46,126	308	42	930	46%	48%	5.5	3	4	2.5
171 Collins St, Melbourne	33,132	326	34	468	77%	61%	5.5	6	6	6
311 Spencer St, Docklands	65,748	495	29	395	43%	100%	NR	NR	NR	NR
313 Spencer St, Docklands⁷	29,760	590	71	513	63%	45%	5.5	5	5.5	NR
447 Collins St, Melbourne⁸	50,100	296	28	73	26%	68%	NR	NR	NR	NR
5 Martin Place, Sydney	33,410	260	56	394	34%	19%	5.5	4.5	5.5	2.5
50 Flinders St, Adelaide⁹	21,745	139	19	289	96%	36%	6.0	5.5	6	NR
720 Bourke St, Melbourne	48,638	203	22	224	71%	59%	5.5	4.5	4	NR
Cbus Property Portfolio	447,715	301	34	437	52%	43%	5.5	4.1	5.1	3.5

Please refer to our [2020 Sustainability Report Datapack](#) for more data on our performance.

Our reporting criteria can be found on [our website](#).

1 Total lettable area (office and retail)

2 Carbon intensity (scope 1 + scope 2 market-based emissions)

3 Includes potable and non-potable (reused or captured) water

4 Total renewable electricity (includes onsite solar generation, offsite mandatory (RET) and offsite voluntary (GreenPower and LGCs))

5 NABERS ratings as at December 2020. Based on NABERS rulings.

50 Flinders St (sold), 311 Spencer St (new) and 447 Collins St (new) are excluded from calculating the portfolio rating.

6 Sold - pending FIBR approval

7 311 Spencer St reached practical completion 9 July 2020

8 447 Collins St reached practical completion 1 April 2020

9 Sold 24 August 2020

NR - not rated

cbus property

Level 14, 447 Collins St,
Melbourne VIC 3000

cbusproperty.com.au

Cbus Property Pty Ltd
ABN 48 115 826 741



Cbus Property is a
Climate Active Carbon
Neutral certified
organisation



2020 Sustainability Report

Sustainability Datapack

